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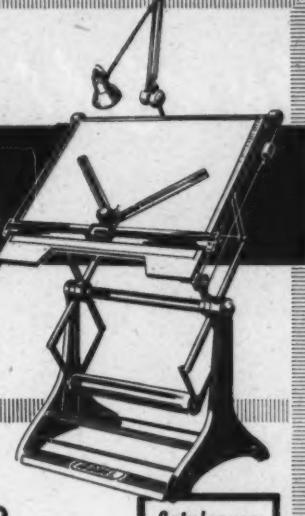
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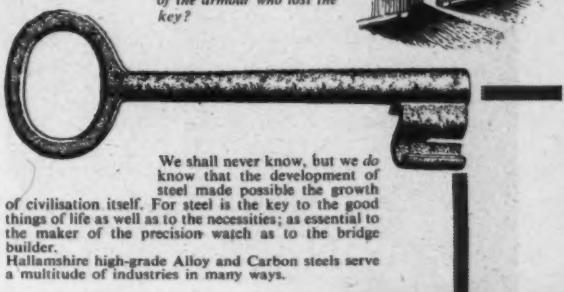
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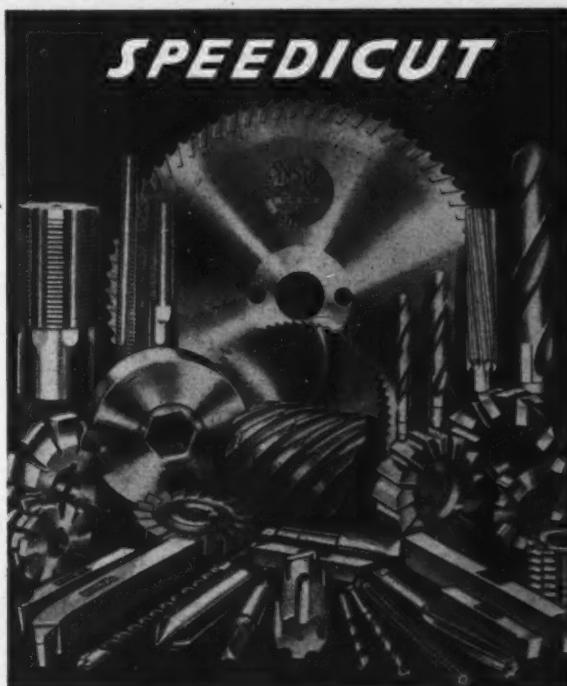
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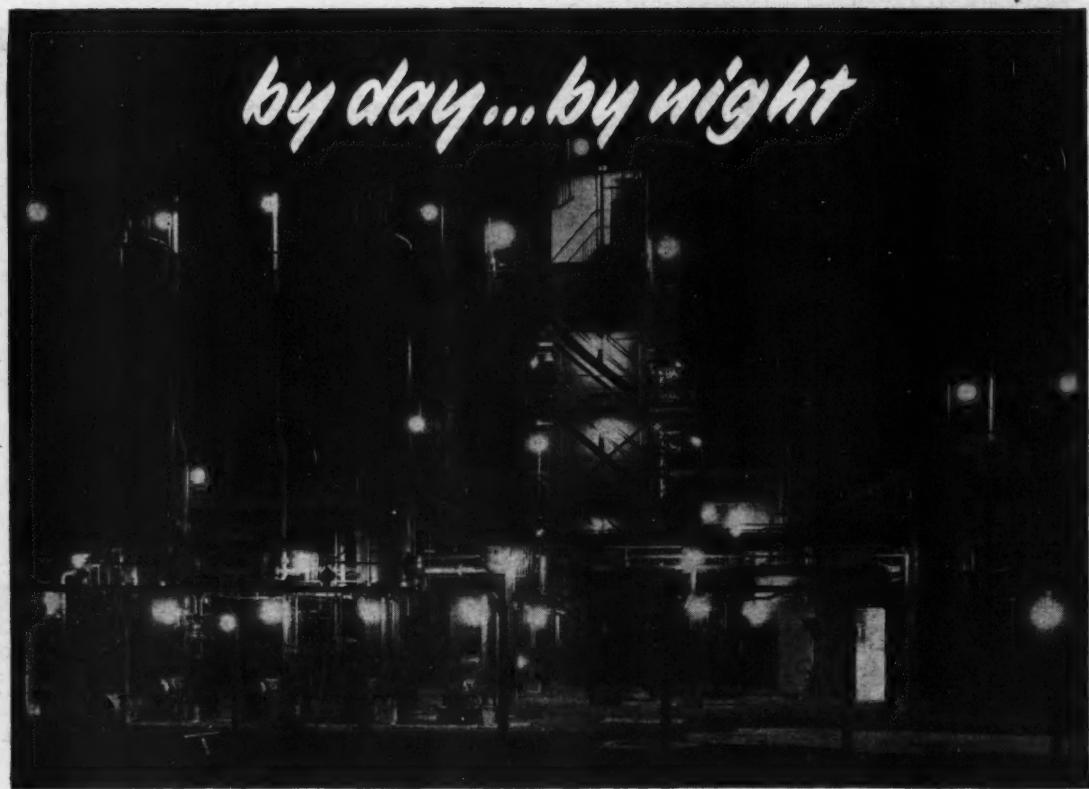
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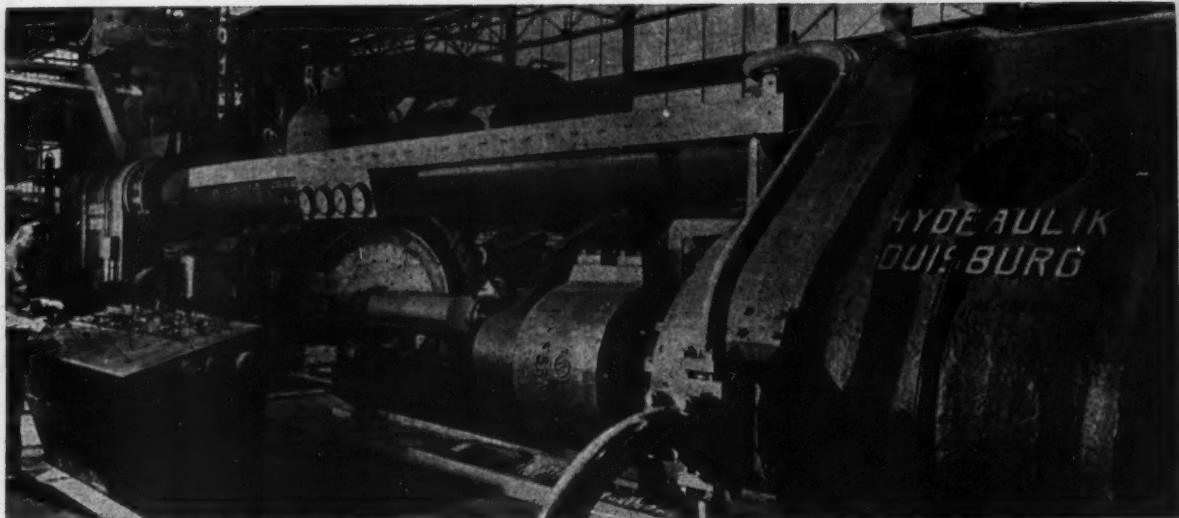
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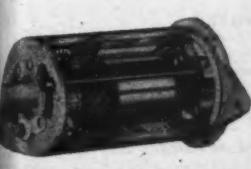
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Front cover picture: Angkor, the imposing monuments of ancient Khmer culture in Cambodia.

(Photo by H. C. Taussig)

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June

1958

Nehru's India

ON May 3rd, Prime Minister Nehru withdrew his request to the Congress Party to be relieved of his office, and thus ended five days of suspense. What he could not end, was the questioning he had started in this matter. This is bound to go on for a long time, and to range far beyond purely internal Congress affairs. The general sense of relief that Nehru had changed his mind could not quite wipe out the impression that in Indian politics, too, there are feet of clay. World confidence in the stability of India has received a sharp jolt and it is not easy to guess how quickly the damage can be repaired.

To the five hundred members of the All-India Congress Committee, Mr. Nehru has since unburdened his mind, lashing out at leading figures of the Congress Party. Some of them hit back. They declared it was Nehru's leadership that was to blame for the state of things he now complains of. They were all, in short, agreed on the nature of the illness, and the need to find remedies for it, but opinions differ as to the causes and cure.

However, the purging in one week of three Congress Chief Ministers—those of Orissa, Punjab, and Madhya Pradesh—must be regarded as a sign of determination to get on with the job. Apart from this cleansing operation, the indications are that greater efforts will soon be put into achieving the aims of the Second Five-Year Plan. Nehru has probably succeeded, at least for the time being, in shaming into conformity the communalists, i.e. those seeking religious segregation, and other Congress rightists.

In all this excitement Sheik Abdullah's re-arrest in Kashmir has created little stir in the country. Though there is still a demand that he should have an open trial, no one seems to doubt his guilt. To peddle communalism is a criminal offence in India, and Abdullah's virulent anti-Hindu speeches as soon as he was released were tape-recorded by the Kashmir police. If the authorities prefer to avoid the publicity attendant on a trial, with all the entailed opportunities for rabble-rousing, the country is certain to accept the decision with little regret for the formal democratic rights of a prisoner—or at any rate *this* prisoner.

The Communists are the only Indian political organisation claiming not to be surprised by the Nehru-Congress efforts at self-analysis. Ajoy Ghosh, the Communist General

Secretary, said in a press interview that the mutual recriminations heard within the Congress camp are quite justified, but that though everyone has his faults, the Communist Party intends to support Nehru and those Congressmen who follow him. However strongly Nehru may speak against the Communists, they will give him their organised, disciplined and enthusiastic support—so long as he remains true to "a Socialist pattern of society" for India.

Internationally, Indians of all shades of opinion have been surprised and rather annoyed by the reports in the British and American press. The greatest offender, in their view, was the *New York Times*, which published the text of Sheik Abdullah's letter to Nehru, sent on the eve of his re-arrest. The writer himself made available a copy of the letter for despatch to New York at the same time as the original went to Delhi. The paper has taken a prominent part in the press campaign against Nehru's presumed "staleness" and "failing judgment."

By contrast, there is President Eisenhower's reported letter to Mr. Nehru appealing, in very general terms, for his help in preventing the world situation from drifting into chaos. This was at a time when Mr. Dulles was in Europe pre-occupied with NATO affairs, H-bombs and defence. There have been reports that Prime Minister Khrushchev, too, wrote to Nehru in the same vein.

It is a strange turn of events by which the heads of the US and the Soviet Union both show an anxious interest in India's internal politics, and both at one and the same time solicit Nehru's participation in world issues. This journal, it may be recalled, made a similar plea in its March editorial, headed "The Summit's Need of India," in which India's uncommon fitness for summit mediation was noted.

As far as protocol is concerned, the letters must, of course, be regarded as purely private and personal, wholly divorced from state affairs. It is a diplomatic fiction that cannot quite conceal the implicit denigration of the rest of India, Government and people alike. Without Nehru at the helm, they appear to argue, India would not be competent to act as mediator in international disputes. It is hard to believe, and a little saddening, that India's weight as an "uncrowned" great power should now be in question both in Washington and Moscow, but dare anyone claim they are



entirely wrong?

No doubt Congress and other political parties of India could provide the men to run the country after a fashion—better, probably, than most of the recently independent countries, and perhaps no worse than most of the older countries. Yet they would seem unlikely to achieve the stature the world has come to expect of India.

There are, of course, many in India who would argue that the Nehru-Congress affair has in no way reduced India's standing, at any rate not permanently. This would be true only if there were a sufficient number of obvious others equal in stature to Nehru. As it is, Congress and the Indian public will be hard put to it to get their house in order, ideologically as well as on the practical politics level. At the moment all energies are bent to the immediate task of purging the self-seekers and stiffening the sagging efforts to accomplish the Second Plan. There is a wide demand that discipline should be tightened in the Congress ranks, but in this the example of the European Socialist parties, notably the British and French (however different their problems) is hardly encouraging.

Nehru himself has pointed out that there are negative aspects in Indian nationalism, and many more Indians complain that the "Socialist pattern" of society has been put into cold-storage. Under these circumstances, nationalism and Socialism—the ideological combination that lends its special dynamism to the countries of South-East Asia—appear to be less effective than they could or were believed to be in India. Notwithstanding the modest successes of Kerala—or perhaps because of them—the Congress Party seems far more concerned with attacking the Communists than the ills and evils that corrode the state of India.

The world has been used to hearing Nehru's voice like the muezzin's call to prayer for peace and progress. It would be a grievous blow to world hopes if India were to fall below her own high standards of socio-political conduct.

KOREAN RAMIFICATIONS

THE set back for President Syngman Rhee's Liberal Party in last month's South Korean elections will not bring the chances of reunification of that sad country any nearer. The Liberals still have a substantial majority, although not the two thirds they need to ride rough-shod over the opposition. The Democrats, however, while opposing the harsh authoritarian measures Rhee has implemented in the last few years, do not disagree with the President's proclaimed belief that north and south can only be reunited by eliminating the Communists in the north by force.

This inflammatory thinking is fraught with danger, especially as America will find it more difficult, as time goes by, to control the aging Rhee's patience. The encouraging factor about the increase of Democrat strength is that, intimidated as they doubtless were in many places, the voters showed that they are thinking seriously of an alternative to the present regime. It is not possible to get a true picture of feeling in the south because of intimidation and bribery at election time, and also because the Progressive Party, which

advocated peaceful reunification of the two Koreas, has been suppressed and discredited, and its leaders thrown in gaol.

Although the Chinese have withdrawn 350,000 troops from North Korea, and the Pyongyang Government has again suggested free elections throughout the whole country, it is not likely that the Americans, let alone President Rhee, would view an agreement to unify with anything but misgiving. For this there are three probable reasons.

On the face of it, the Communists in the north would lose in any free countrywide election because only one quarter of the Korean population lives to the north of the 38th Parallel. But with unification Communist elements would find fertile ground among a great many in the south, and in a few years the left wing would undoubtedly gain ground.

The second reason is that unification would mean the withdrawal of US military connections, and in the present state of American thinking it would be thought strategically unwise to withdraw from a position so proximate to China.

Thirdly, there is the effect such an agreement would

have on the Viet Nam situation. Although in Korea the Communist north has a smaller population than the south, the reverse is the case in Viet Nam. An accommodating attitude by the Americans in Korea would inevitably have to be followed by something similar in Viet Nam, and there the Hanoi Communists would have every prospect of gaining a majority in free elections.

It is all very well to condemn Syngman Rhee for his dangerous posturings, but he suits America's purpose very well, and they do very little to convince him to change. The part that the US plays in Korea is a very powerful one, and even some of Rhee's supporters are becoming a little upset by it, as was shown by the resignations from Rhee's Cabinet when the US decided that atomic weapons should be sent to the south.

The future of Korea, as with all those countries that

have become divided by the consolidating of cold war positions, rests now in the lap of a summit conference. An improved atmosphere in the relationship between the two great power *blocs* should alter the climate of thinking which at present sees no graceful and useful way out of the impasse. But in giving consideration to the problems of reunification wherever they occur, it is as well to cast a glance at Laos where a successful arrangement has been carried through without interference from outside powers. Laos, a country divided at the end of the Indo-China war, has once more become integrated, with free elections and Communist groups playing a part in the National Assembly. Modest Communist gains in Laos have been achieved through the ballot box. It is not at all certain that the present stand being taken by Syngman Rhee in Korea is not preparing the ground for an eventually less modest Communist increase there.

Comment

Indonesia and the West

THE danger of the continuing Indonesian crisis is that outside powers are having fewer and fewer scruples about condemning their ideological adversaries for playing a part in it. No good can come from the Americans accusing the Communist powers of sending aid to Djakarta, while they themselves turn a blind eye to the help provenly going from unofficial American sources to the rebels in North Celebes. Similarly, there is no cause for Peking or Moscow to warn the United States about the dire consequences of assistance to the rebels, for this is in itself interfering in a matter which is the sole concern of the Indonesian Government.

Politicians in Djakarta are wise enough to foresee the complications which could arise from calling in allies of any complexion to help suppress the rebellion. Their main concern is to keep it an internal matter. This is being made increasingly difficult by official US statements—Mr. John Foster Dulles's prominent among them—that the issue at stake in the rebellion is that of a choice between Communism or democracy. The Djakarta Government has been forced on the psychological defensive on several occasions by the comfort such statements give to the rebels.

The western view, expressed unofficially and in newspaper comment columns, is that it would be desirable if some kind of change were to be brought about in the Djakarta political arena. The rebels are paid lip service and given covert encouragement because it is believed that if they were to succeed they would be pro-western. This is chimerical. They cannot succeed unless they have the support of political elements at the centre who are in sympathy with their aim of giving more autonomy to the outlying regions. This they will not have as long as they carry on fighting and accept military help from doubtful outside sources. The moderate groups in Djakarta, who are seeking a constitutional way of reforming the administration, are unanimously agreed that the rebels must be defeated if the political

initiative is to pass to the moderates.

Should the moderate group, led by ex-Vice-President Hatta, succeed in Djakarta, they are not likely to be pro-West, and it is a mistake to think they wish to displace President Sukarno. In foreign policy the young guard think, as does the President now, in terms of being uncommitted to either power *bloc*, although they are prepared to accept economic aid without strings from anyone who offers it.

The big political parties in Indonesia are not frightened of Communism, either from within or without, but the Nationalists (PNI), the strongest party, are beginning to realise that to link hands with the extreme left wing, as they formerly did for tactical reasons, is a mistake of the sort that can cause recurring crises.

Pakistan Overstrained

A SIGNIFICANT example of how political instability in Pakistan is paralysing the administrative services was provided recently by the Prime Minister, Mr. Firoz Khan Noon, when he referred to the state of the country's first five-year plan (1955-60). Although little more than a programme of governmental spending, the plan is not being implemented according to schedule. Last year total expenditure under it was reduced from £870 million to £810 million, the reason for this being ascribed to delays in implementation, which created a somewhat reduced impact of development on public revenue. The planned increase in national income was reduced at the same time from 20 to 15 percent, and per capita income from 12 to 7 percent. This year a further reduction in development expenditure was announced, and it is likely that targets will have to be lowered once more. Already Pakistan's economy is subject to severe inflationary pressures, and assuming that even a third of the increase in income at the end of the plan period will be reinvested, it appears unlikely that a per capita increase of less than 7 percent will manifest itself to the

masses in the form of even a slight improvement in their standard of living. No wonder then that senior Government officials, whose painstaking efforts are being constantly frustrated by politicians bent on prolonging their interminable quarrels, are becoming increasingly concerned over these setbacks in planning and economic development.

According to Pakistan's Constitution, the National Economic Council is the highest authority in the country to decide on economic matters. When this body met last year to study the five-year plan, two of the five years it was to cover were nearly over, and only about 27 percent of the finance set aside for development had been used. Moreover, the country's food problem was assuming alarming proportions, as apart from floods and droughts which contributed to annual deficits, land was being lost—at the rate of about 50,000 acres a year—because of waterlogging and salinity. While new barrages were built in West Pakistan, plans were not made ready at the same time to colonise the lands they would open up. In the last three years, Pakistan has received £50 million of external assistance in the form of food, and in addition has spent another £35 million out of its own resources to purchase food abroad.

If Pakistan cannot solve its food problem soon, the pressure of its population which is growing at the rate of 1.5 percent a year will overwhelm it, and will make economic progress impossible. It has no doubt thrown up a small but competent set of planners and industrialists who have made the country near self-sufficient in important consumer goods, but for want of sufficient foreign exchange to buy raw materials, the country's industries are now running at half capacity. Pakistan's overstrained economy—with 70 percent of the budget going on defence—is heavily dependent on US economic aid, and because of the present slump in commodity prices, it is going through an acute crisis. The politicians in Karachi, Lahore and Dacca seem unaware of all these dangers; they are inadvertently creating a situation where power will pass to the technocrats, and thus make the introduction of democratic institutions in the country impossible.

Burmese Break-up

THE split in the not-so monolithic unity of the Anti-Fascist People's Freedom League (AFPFL) has finally fallen into the natural divisions following the political and personal affinities of the leading members of the party. The alignment of the active workers of the party, brought into the open during the National Congress of the AFPFL (May 19th to 21st) is to be carried to its logical conclusion in a division of Government personnel: the majority will continue to rule while the minority becomes the parliamentary opposition. On June 5th a specially summoned parliament will choose between U Nu and U Ba Swe as premier of the new Burmese government.

U Nu, President of the AFPFL, the moderating and mediating influence in Burmese politics, has sharply upbraided U Ba Swe and U Kyaw Nyein (both of them Vice-Presidents of the League and Deputy Prime Ministers of the country) for having made the split inevitable. U Nu himself has chosen to side with the group led by Thakin Tin (another Vice-President), and is prepared to be its functional head. Besides the personal rivalry among the colleagues of U Nu, a clearer separation has also emerged between the

two wings in policy matters. U Ba Swe's followers, while more doctrinaire in their Socialism, are less tolerant of Moscow and Peking and show a readier understanding of the West. Their tactics, both in public and within the Cabinet, have compelled U Nu to seek support from the Burma National United Front, the main opposition in parliament, among whom are some pro-Communists and workers' leaders. They are regarded as no less genuine in their patriotism than any of the other parties.

In recent months insurgent Communists and Karens have been surrendering in large numbers. The erring militants were kindly treated by U Nu, and allowed to take up their former positions in society. There is a feeling of stability, with no very marked regret shown that policies and leaders are now being sorted out. Whichever faction of the AFPFL wins, there is unlikely to be any radical change in policy.

The worst aspect of the situation is the all-round, reckless, mud-slinging campaign. U Nu has suggested that an enquiry committee should be set up by the Supreme Court to investigate the conduct of top AFPFL leaders, including himself, U Kyaw Nyein, Thakin Tin, and U Ba Swe. He is willing to be judged by the public, and hopes the others will welcome his suggestion. It is a brave proposal, but one is inclined to doubt the wisdom of publicly ventilating insubstantial charges and counter-charges—as such personal fault-finding is bound by its very nature to be. In any case, U Nu's integrity and innocence of any offence are so highly regarded throughout Burma that his proposal is itself likely to vindicate his group to the public.

The close connection of U Ba Swe with the Army has given rise to speculation that his ascendancy may entail "strong man" policies. He has, therefore, had to assure the public of his intention to conform to parliamentary practice, whether in office or in opposition. Reports in the Burmese press that U Kyaw Nyein had been given \$600,000 by the US to finance his fight against Premier U Nu, precipitated demonstrations, including Buddhist monks, in front of the American embassy in protest against "American interference." U Kyaw Nyein has vigorously refuted these press reports, saying that they were part of U Nu's tactics to stir up public feeling against him. The outcome of this triangular fight of personalities is expected with interest and is bound to have serious repercussions on Burma's internal and external developments.

A Great Little Country

CAMBODIA, thanks to its outstanding leader, Prince Norodom Sihanouk, has consistently adhered to a policy of strict neutrality which has earned it the high respect of all those who believe in peace and in the ultimate triumph of common sense. It has not been easy for a small country to stand up against the onslaught of big interests to whom Cambodia's unwavering impartiality is a thorn in the thigh. But that this policy is fully understood and supported by the Cambodian people has again been manifested by the elections held last March, when the Prince's "Sangkum" movement (Socialist Popular Community) won all the 61 seats in the National Assembly (the 62nd seat being left vacant owing to the withdrawal of one of the Sangkum candidates).

Cambodians realise that the Prince's clear-sighted firm

ness has kept them well out of the cold war, or at least its less agreeable aspects. It has given them perceptible improvement in living standards. Roads and communications, schools and hospitals have sprung up and, last but not least, world esteem for Cambodia's honesty and integrity has soared. Thus it is not surprising that there has been much greater popular interest in the elections than last time. 85 percent of the electorate went to the polls, compared with 65 percent on the last occasion. Cambodian elections are not conducted in the western sense, but rather on the lines of the socialist democracies, and really constitute more a popular approval of the prevailing policy than a fight between parties. Cambodia, being still an underdeveloped country *par excellence*, is gradually undergoing an education towards democracy. A few months ago, elections to fifteen Provincial Assemblies were carried out with the aim of creating a greater sense of responsibility in self government. In addition to these local assemblies and the National Assembly, Prince Norodom Sihanouk has instituted a unique democratic forum: the National Congress, which takes place every six months, and where every citizen is invited to participate and, if he wishes, to address his fellow citizens. It is here that the personalities of the country can gain national prominence. At this congress the Prince, who does not attend the National Assembly, makes the acquaintance of people from all over Cambodia when he listens to their speeches. Everyone has a chance to display his talent at this national shop window.

With the help of foreign aid, the country's resources are being mobilised to a growing extent, small industries continue to spread and the general living standard, though still low, is being raised step by step. The social policy of Prince Norodom, as well as his neutralist attitude in foreign affairs, has taken the wind out of the Communist Party. At the former elections they had 34 candidates for the National Assembly, polling thousands of votes; this time they were unable to muster more than 5 candidates who received a mere 396 votes from an electorate of a million. It is, for this reason alone, difficult to see why Cambodia's genuinely free and fearless neutrality is under constant attack by some in the West, especially indirectly through countries receiving western support. While it cannot be denied that Phnom-Penh is extremely sensitive, it is nevertheless true that pressure has been brought to bear on Cambodia in the hope of making the country change its neutralist attitude. Pin pricks and more severe causes of discord overshadow her present relations with South Viet Nam and with Thailand—both neighbours with close American connections, and it is high time that more attention should be paid to Prince Norodom's justified complaints against these potential threats to peace in the region.

Contacts at Leisure

ONE of the "Myths of the Orient" which has given way to modern realities, is remoteness. Air communications have brought the centres of East and West to a proximity of literally only a few hours, and have thus substantially assisted to bring about closer personal contacts in the fields of politics, commerce and science. Yet, the greatest benefit of these vastly improved transport facilities has still to be utilised: the chance of "ordinary" people of

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both East and West visiting each other's countries and getting to know and understand each other more closely. The most outstanding impediment to this has been the high cost of travel.

It is good news, therefore, that serious and successful efforts have been made lately by private travel organisations, air and shipping lines as well as by various governmental tourist offices, to drastically reduce the travel expenses between Asia and the West and to bring these long-distance holidays within the reach of middle-class income brackets. Thus, the remaining myth, that of unattainability, is now also being exploded. It is to be hoped that this trend will progress, and that the day may not be too far off when workers will be able to afford holiday trips to Asia.

India, in particular, exercises a tremendous attraction for western tourists and, as it becomes better known that tours to that country are getting less and less expensive, India is developing into the favourite vacation centre in the East. Indonesia and Ceylon, both ports of call on the route to Australia, are close runners-up, but for direct holiday trips, Indonesia's organisation is still in its infancy and that of Ceylon lacking enterprise. Japan, which has both excellent organisation and enterprise, is still too expensive to reach to make middle-class holidays feasible. India, therefore, in addition to all its superb tourist attractions, has also the geographical advantage of comparatively cheap accessibility. Great strides have been made in catering for tourism there. During the last few years, the Government of India Tourist Office has opened in several world capitals, and has established fourteen regional branches throughout India to help organise facilities for foreign tourists. These efforts have shown remarkable success: the number of foreign tourists visiting India has gone up from 20,000 in 1951 to 68,880 in 1956 and to well over 70,000 last year. Hotel accommodation has been vastly improved and large numbers of visitors can now be catered for throughout India, from the Himalayas in the North to the many holiday resorts and temple districts in the South. Careful attention has been paid to the provision of good guides in all places. The Indian authorities are expecting a great increase in the number of tourists from now on, as new tours have been arranged in conjunction with sea and air companies at exceptionally low prices.

Under these circumstances, travelling to India should be encouraged, for it may herald the beginning of a new era where holidays in the East are possible for the average wage earner who is also the potential bearer of goodwill and understanding.

INDIA'S LANGUAGE PROBLEM

By Raji Narasimhan (New Delhi)

ACCORDING to the Constitution of India, Hindi, in the Devanagari script, is to be the official language of India. The total number of States in the Indian Union is 16, including Himachal Pradesh, Jammu and Kashmir and the centrally-administered territories. Hindi—or dialectical variations of it—is spoken in four of them: Rajasthan, Uttar Pradesh, Madhya Pradesh and Bihar; to these may be added the regions round Delhi and the extreme south and east of the Punjab, where it touches Uttar Pradesh. The western (Bombay State), eastern (West Bengal, Orissa and Assam), southern (Tamilnad, Andhra, Mysore and Kerala) and, to a large extent, the region of North-West Punjab, are non-Hindi-speaking areas, each with its own language, literature and cultural background. These regional languages (Hindi is, incidentally, also listed as one of the regional languages) have been given recognition by the Indian Constitution, out of the 179 languages and 544 dialects that, according to the Linguistic Survey of India, exist in the country. Hindi is spoken by a little over 40 percent of the population. It would be well, however, to keep in mind that dialectical variations of Hindi are sometimes not a little remote from each other. The Hindi-speaker in the western state of Rajasthan would not find it easy to make sense of what his brother from the eastern state of Bihar says.

Community is, however, arrived at in sophisticated, literary Hindi—which is, of course, far above mass-communication.

Opposition to Hindi being raised to the status of official language of the Union—which, of course, means national language—comes from the non-Hindi areas. Considerable agitation has been carried on against what some go so far as to call "Hindi Imperialism."

The problem of language in India, as elsewhere, is a problem of the middle classes. It is an expression of the desire, on the part of these classes—in the wake of greater awareness—for a closer identification with the government; an identification which was necessarily absent during the British regime. Hindi, if it came to take the place of English, would in no way serve this purpose better. Apart from this emotional need, there is the more urgent practical question which is confronting the middle classes, concerning as it does, the problem of their livelihood. Their argument, quite simply, is this: Between a completely foreign language—for Hindi to the non-Hindi-speaking people is just that—and one over which more or less complete mastery has been achieved, which is to be preferred?

The saner oppositional element in the agitation is led by Mr. C. Rajagopalachari, India's "elder statesman." Mr. Rajagopalachari, whose views on the question are shared by some eminent educationists in the country, is a veteran Congressman from Tamilnad, and has strongly urged for the retention of English. His arguments are broad and simple. Hindi, he says, is spoken in five States only as against eight states, contiguous in groups that are non-Hindi-speaking; the Hindi-speaking population forms but two-fifths of the total, and it is not fair to impose its language on the remaining three-fifths. Taking Europe as an example, C.R. (as Mr. Rajagopalachari is popularly called) asks: "If by any historical chance, Europe, west of Russia, became one federated union, would it have been possible, as a result of that political union, to impose German as the official language of a federated union of that kind?" He further urges that Hindi is not adequately developed to supplant English. "Let it make progress. . . . When, on a future date, if the language is found good enough for all official purposes and its spread reaches dimensions to entitle it to a sovereign position without question, then it would be time to consider a change-over." Compulsion, he says, can only destroy unity.

Answering the stock argument of "national pride" raised by enthusiasts of Hindi in support of their demand to hurry with the displacing of English, he asks: if national pride could countenance India's continued membership of the Commonwealth after independence, why it was not possible to swallow one's pride in the case of the English language which had served the country's needs well so far and which had been mastered by the people?

Historical Factors

Historical and geographical factors seem to support C.R.'s arguments: that no one language out of the existing regional languages can claim pre-eminence over others. The language problem, more than any other problem, brings out

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the heterogeneity and the sheer physical size of India. The Linguistic Survey of India divides the present Indian languages into four main groups: Indo-Aryan, Dravidian, Austro-Asiatic, and Tibeto-Burman. Sanskrit has, to some extent, introduced common words, sometimes even a similarity of syntax, in the various languages and a commonness in the attitudes of different regional groups. But not sufficiently to transcend basic diversities. The various linguistic regions have, with time, crystallized into distinct cultural units; politically, no region has, in history, considered itself a part of the neighbouring region. There have been inter-regional wars and conquests by the Rajputs, the Moghuls, the Maharattas and the Sikhs, who extended their empires over the sub-continent; but they did not think of themselves as belonging to a single nation. The concept of nationalism in India originated with the struggle for independence against the British regime. Under the British, the country was administered as one political unit, with one official language—English. Far flung regions became easily accessible to each other after communicational improvements, and established contact with each other.

After independence it was found, however, that the fabric of nationalism was not strong enough to hold out against the traditional feelings of regionalism which now began to strive for expression. The present language controversy is but a manifestation of these fissiparous tendencies. Any language bidding for predominance is bound to encounter opposition, under the circumstances. It may be mentioned here that during the struggle for independence, the Congress party had to a considerable extent itself unwittingly fed the feelings of regionalism by catering to regional differences and demands. For instance, in

Bombay Province it established three provincial committees, one for Bombay city and one each for the Gujarati and Maharashtrian linguistic groups, when a single committee would have sufficed for organizational needs.

Discontent

The appointment of the States Reorganization Committee by the Government of India was, in a way, a recognition of the existence of "regional patriotism." The results of the report were a further confirmation, if any confirmation should be needed, of this existence. Though expected to redraw boundaries on the basis of language, the Commission did not strictly adhere to the linguistic principle. Its report laid emphasis on "other factors relevant to the reshaping of the political geography of India, such as national unity and administrative, economic and other considerations." The report caused a furore. At some places there was rioting—between the Maharashtrians and the Gujaratis over the city of Bombay, for instance.

Much of the present discontent is due to the regrettable attitude of a fanatically Hindi-minded section, which, in the face of the not easily dismissable arguments of Mr. Rajagopalachari, and the fears of others, have continued to make vehement, uncompromising statements in favour of Hindi. Their irresponsibility has had some unpleasant, dangerous repercussions. This is evident from an appraisal of the present political scene in India. The Samyukta Maharashtra Samiti, and the Maha Gujarat Parishad in Bombay State, the Dravida Munnetra Mazhagam (DMK) and the Nam Tamizhar in South India, and the Akali party in the Punjab, are all regional bodies, which could, if driven

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to it, take up positions leading to separation from the rest of India. The Nam Tamizhar and the DMK have, indeed, already demanded a sovereign Tamil State!

However, the discontent felt by the peoples of the non-Hindi-speaking States was partly met and taken cognizance of at the recent annual Congress Session at Gauhati (Assam). A resolution moved by the Chief Ministers of the southern states of Madras and Mysore, urged for a cautious approach in the replacement of English, and for provisions to be made "for the continued use of English after the fixed period (that is 1965), till such a time as Hindi was developed and improved to become a fit instrument for official purposes." The net result, so far, has been that the rigid date-line of 1965 set in the Constitution for the change-over is likely to be shifted further.

Mr. Rajagopalachari has, however, termed the "Compromise formula," as the Gauhati resolutions has come to be called, a vague and equivocal declaration by the Government.

There is good reason to believe, however, that Mr. Nehru's growing awareness of the dangers of pressing Hindi's case too strongly, will do much towards mutual reconciliation. That he is conscious of the danger is evidenced from his speech on January 16, during the Congress session at Gauhati, in which he said: "I foresee a period, an overlapping period, when Hindi may be used and English is also used." And he added, "English is bound to be used for a considerable time. After that it will be in alternate use with Hindi; and after that, too, so far as I am concerned, it will be allowed to be used."

Indeed, it is undeniable that ultimately, if one Indian language does become the official—or national—language of the country, it cannot but be Hindi. But a Hindi which has not been artificially expanded, as it were, by puristic lexicographers, official and others, too much inclined to seek their basis in Sanskrit. It has to be allowed to grow, to be encouraged subtly, so that it can become wide and flexible enough to take the place of English naturally.

JAPAN AND SOUTH KOREA

By T. F. M. Adams (Tokyo)

AFTER years of contention and frequent bitter invective, Syngman Rhee in late 1957 seemed finally to have suffered a change of heart in respect to relations with Japan and it appeared that at last some hope for an understanding existed, but once again the scheduled talks collapsed and, as of the end of last March diplomatic relations were back at their usual low ebb. However, as a further effort towards conciliation the Prime Minister, Mr. Kishi, sent a personal letter of congratulation to Syngman Rhee on the occasion of the latter's 83rd birthday on March 24th. Perhaps because of this personal approach, together with US pressure, in April Rhee permitted talks to be resumed.

There have, of course, been many meetings in the past, but ever since the conference in October 1953 when the Republic of Korea delegate marched out, charging that Korean sovereignty had been insulted by Kubota, the Chief Japanese delegate, who had asserted that Japanese rule in Korea had not necessarily been all bad, it has appeared to the foreign observer that any *rapprochement* was almost hopeless, and for Japan and Rhee's Korea to arrive at amicable relations an impossibility. Since 1953 Rhee has continued to vilify Japan and to take offensive actions against her by continued arrest and detention of Japanese fishermen and their boats; by his designation of the Rhee Line; by his claims for the Island of Takeshima; by his almost complete boycott of Japanese goods (despite the fact that they are mainly paid for by America), and by his extravagant claims for compensation. He deliberately kept anti-Japanese feelings alive and, as recently as March 1957, he condemned those who advocated improvement of relations as traitors. He refused to discuss his so-called Peace Line at the International Court as Japan suggested and refused to permit Japanese representation in Korea. He printed postage stamps showing Takeshima as Korean territory; planted a garrison on the island which reportedly fired on a Japanese ship, and refused to discuss the return of the more than 950 fishermen his guard ships had arbitrarily arrested as trespassing in his self-delineated territorial waters.

In the matter of trade Korea has continually accused Japan of insincerity, and even as recently as last November the Korea Trade Association threatened to abstain from purchasing Japanese goods, even with US funds, because Japan's attitude was termed "unfriendly." Korea has maintained an incessant

propaganda barrage on the treatment of Korean "detainees" in Japan, numbering about 1,760 of whom more than 1,200 were illegal entrants who seemed to prefer Japan to Korea, and the balance were Koreans who had resided in Japan during the war but had been convicted of crimes justifying deportation.

Japan naturally wanted the return of her own people, the fishermen, and equally desired to send back the illegal Korean entrants and the Korean criminals, but ever since the breaking of relations in October 1953, Korea would not listen to either, despite continued complaints of the treatment of the detainees. Finally on December 31, last an agreement was reached whereby the Republic promised to return the fishermen by February 15 this year and Japan promised to release the Korean detainees. Japan has sent back over 1,200 of the Koreans interned, and agrees to repatriate the others except for about 90 who wish to be repatriated to North Korea. Rhee however demands that they be sent back to South Korea, but Japan obviously, in all humanity, cannot forcibly repatriate them to the Republic against their will. There are also four important political exiles who escaped from Rhee's Korea to Japan, but Japan refuses to give them up. Consequently, in retaliation, while the Republic of Korea repatriated about 500 fishermen, 422 are still held in prison and until the present talks began Korea refused to send them home. Under the December 1957 agreement it was arranged that formal talks would be resumed on March 1, 1958, a date designated by the Rhee Government with the deliberate intention of embarrassing the Japanese, since it was the anniversary of the Korean revolt against Japan in 1919. However, since Korea had not lived up to the agreement of repatriation, Japan decided to postpone the talks until all the fishermen were returned. Korea promptly accused Japan of "unfriendliness" and "insincerity," but continued nevertheless to capture Japanese fishing boats and crews. Since December 31, when the agreement for the mutual release of detainees was signed, the Republic of Korea has arrested five more Japanese fishing boats and crews. One could hardly call this a conciliatory or cooperative attitude.

Furthermore, ever since 1948, Korea has maintained a "Mission" in Japan which has enjoyed diplomatic status and acted with consular powers, but in turn Korea continually refused Japan the right to establish any representation there. Under all these snubs, invasions of sovereignty and gener-

vilification Japan has in general reacted soberly and with common sense. Time and time again efforts to reopen negotiations have been made, together with major concessions in efforts to solve the outstanding irritations, but until very recently the attitude of Rhee was adamant and the prospect for reasonable discussion hopeless.

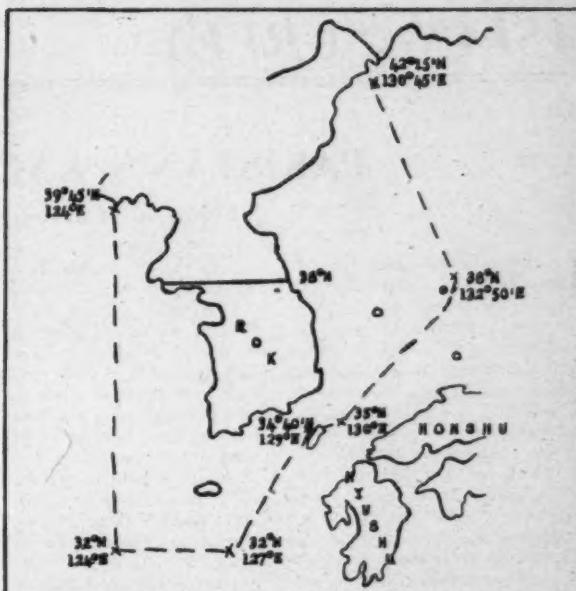
But now it seems that the present meetings are more hopeful than at any time in the past, although substantial disagreement still exists and the atmosphere remains highly charged with emotion. Rhee perhaps has finally realised that some *rapprochement* with Japan is inevitable and that it is better to make a settlement now before Japan becomes appreciably stronger and less inclined to concede. However, while Rhee's attitude seems to have changed he has frequently in the past capitalised on the collapse of former conferences by whipping up the ever present anti-Japanese sentiments of the Koreans. When the talks failed, he promptly charged the Japanese with " perfidy" and denounced his political opponents whom he dubs " pro-Japanese" since they advocate some form of settlement. There is, therefore, some suspicion that Rhee actually desires to use the present negotiations for his own political ends, and that he has no intention of permitting his delegates to retract from their rigid position to make any agreement possible. There is also the fact that, despite diplomatic pressure, so long as Rhee's Government receives political and economic support from the US there is little compulsion for him to make any settlement. Neither has Korean suspicion of Japanese motives been allayed nor their resentments calmed despite the substantial concessions the Japanese have made. Thus the psychological climate is still very delicate.

The actual points at issue are neither unique nor insoluble and, given a reasonable attitude on both sides, there is no real reason why acceptable compromises could not be found. The issues are the perennial problems of, first of all, the Rhee Line; then the Korean claims against Japan; Korean demands for the return of ships registered in Korea; the problems of Korean residents in Japan and the matter of a wording and formula for a treaty.

Korea has continued to demand nothing less than Japan's full recognition of the Rhee Line, or Peace Line as the Koreans call it, plus guarantees that Japanese ships will not violate it in future. Japan insists that the line is a violation of international law and hence refuses to recognise it, but has repeatedly offered to work out a compromise based upon a joint fisheries agreement. The Koreans, thus far, have refused to compromise.

Korean claims against Japan cover a long list of items, including the assets in Japan of former Japanese concerns incorporated in Korea; compensation for the investments of Koreans in Japan and Japanese-controlled territories; wages for Korean labourers taken to Japan during the war; return of art treasures, books and cultural items, and compensation for numerous other properties and assets. The total value of the Korean claims is estimated at over £50 million, but the Japanese in retaliation made almost as extravagant counter-claims for compensation for privately owned properties. The Japanese claims were generally considered as purely a bargaining device, since later the Japanese dropped them, but on that occasion Korea replied in rather vague terms only to the effect that they will not make "unreasonable" demands upon Japan, but what is reasonable or unreasonable only Rhee decides. The abandonment of their claim by the Japanese is a very real concession and in addition Japan seems ready to pay the wages of the Korean labourers, to make restitution of back pensions and to reimburse Koreans for postal savings deposits, and, incidentally, to retract the Kubota statement.

On the other hand some Korean officials have even talked about claiming substantial reparations for 40 years of Japanese occupation, and while one can hardly take this seriously, Rhee has been sufficiently vindictive in the past to make it quite



The "Rhee line" averages 60 nautical miles and in some areas extends to 170 nautical miles from the Korean coast. It was proclaimed by the ROK government on January 18, 1952 and is ostensibly designed to protect Korean fishery resources

possible that he will instruct his delegates to make the attempt.

The matter of the return of shipping has been close to a settlement before and since Japan will probably agree to return some tonnage, this should not be a major obstacle if the Korean delegates seriously want an agreement. The status of Korean residents and the return of detainees has already been largely settled by the repatriation, but there are still areas of disagreement, particularly in Rhee's demand to return the political refugees since it is most unlikely that Japan would agree to do so without a formal extradition agreement.

The matter of the ownership of the island, Takeshima, has not as yet been mentioned in the present talks. Japan asked that the dispute be referred to the International Court of Justice, but Rhee refused, so that it is very unlikely that any compromise can be reached on this issue, although it can, of course, be ignored by both sides if the talks go well, or magnified into a major cause of dispute with very little difficulty if they go badly.

The final problem is the conclusion of a treaty and the establishment of diplomatic relations. In former negotiations the Japanese proposed several forms of treaties, but the Republic of Korea Government rejected every one demanding that all outstanding issues be settled first. Korea has continued to deny Japan any form of representation, nor is there any indication of any change in this attitude.

Consequently, although once again negotiations are in progress there is little room for believing that all of the issues will be amicably settled. There are obviously certain major disagreements (notably the Rhee Line and the Korean claims) which, taken together with the traditional enmity and Syngman Rhee's apparent bitter hatred of the Japanese, plus Korean resentments and desires for revenge, will seriously impede any settlement. Nor is there any precedent in the history of the past negotiations to give cause for optimism, and in consequence a partial agreement is the best that can be hoped for. Even this can be obtained only if the Korean delegates adopt a more conciliatory attitude than they have demonstrated in the past, and, again, only if this time Rhee seriously wants an agreement. Of this, there is some doubt.

ASIAN SURVEY

PAKISTAN'S LACK OF STABILITY

From a Correspondent in Karachi

If the Pakistani public goes to the polls this November, as is now generally believed, it will be given a say in the running of its affairs for the first time in eleven years. "Elections"—the new magic word—has caught the popular imagination; politicians of all shades of opinion are paying it lip-service, and optimistic observers of the scene are hoping that after November Pakistan's problems will sort themselves out somehow. It may be useful to recall that much the same optimism prevailed three or four years ago, when political rivalries had held up work on the constitution. It came as a rude shock to many that even after Pakistan had declared itself an "Islamic Republic" in 1956, with a constitution of its own making, it remained as ungovernable as ever. The same shock is bound to awaken those who are at present idly pretending that general elections will iron out the inherent contradictions in Pakistan's political life.

The real reason behind the political malaise is that the momentum of the Pakistan movement, which in its early stages had carried it through countless difficulties, has spent itself. No party, political organisation, or individual has worked out a programme of social and economic reform which could carry the movement further. The Muslim League, once the vanguard of Pakistan's peculiar religio-political nationalism, declined when it failed to evolve a social policy which would appeal to west and east Pakistanis alike. In the eastern province it was soundly beaten in the 1954 provincial elections, and virtually ceased to exist as a political force. In the west, power passed in 1956 from it to the Republican Party, a group of powerful landlords without a programme or party organisation, which became in two years as discredited as the Muslim League itself. While other parties have appeared on the scene, none (with the possible exception of Mr. H. S. Suhrawardy's Awami League in East Pakistan) has bothered to build a strong party apparatus, or to appeal to large sections of the electorate in both wings of the country. The absence of a Socialist Party from the political stage has prevented issues following a Left-Right pattern; the present leaders do not consider questions of economic planning, or of the state's role in expanding an underdeveloped economy, as capable of serious political discussion. Politics have revolved round personalities, and the gap between the party bosses and the electorate has widened to an alarming extent.

In spite of what successive governments have done, or rather failed to do, Pakistan has survived more than one economic crisis by the timely arrival of US aid. Apart from military assistance which is now in the region of \$80 million a year, Pakistan has been receiving economic and technical aid, as well as gifts of food, amounting to nearly \$1,000 million since 1954. The disputes with India have served to divert attention from pressing political and economic reforms at home. Parties in opposition have tended to appeal to the communal instincts of their followers, or as in the case of the Muslim League, to depend on religious slogans. With elections put off from year to year, and with legislative assemblies frequently suspended, political irresponsibility has been encouraged, the loss of contact with the masses increased, and party discipline, both inside and outside the assemblies, has been affected. The only issues which cause any controversy are those of "one-unit"—whether West Pakistan should be administered as one province or as five, and "electorates," i.e. whether there should be communal or joint electoral rolls in Pakistan.

The Government of Mr. Feroz Khan Noon, consisting of

Republicans, the section of the Krishak Sramik Party (a small East Bengal group), and some members of the Congress Party, took office last December after the crisis over "electorates," as a result of which the Muslim League ministry of Mr. I. Chundrigar (formed with Republican support) resigned. The League continues to believe that Muslims and non-Muslims are two separate nations, and must therefore vote in separate constituencies. In West Pakistan, where almost everyone is Muslim, this demand can have no direct bearing on events, but in the east, where a quarter of the population consists of Hindus, separate electoral rolls would lead to the election of a great number of Bengali Hindu representatives. With East-West parity at the centre, Bengali Muslims fear that communal voting would reduce them to a permanent minority in the Karachi Assembly vis-a-vis West Pakistani Muslims, and therefore vehemently denounce it as a sinister plan on the part of their distant compatriots to break their numerical strength. The Republicans have no particular views to offer on this question; controlling 23 seats in the 80-member National Assembly, and being until recently in the good books of President Iskander Mirza, they used their position to bring down one coalition government after another, while continuing to remain in office themselves.

Then last March, on the eve of the Manila meeting of the SEATO Ministerial Council, Mr. Noon laid bare the motive which compelled his country to join the Baghdad and Manila Pacts, i.e. its desire to gain western support in its feuds against India, and threatened that if such support were not forthcoming, Pakistan would leave all pacts and seek Soviet aid. The speech, though widely commented on in the Pakistani press, wounded the pro-American susceptibilities of the President, who, a week later, publicly rebuked the Government for trying to wreck his foreign policy. A conference of Pakistani envoys to the Middle East, Afghanistan and India was called in Karachi by the Prime Minister, but was presided over by the President; as a result of the latter's direct intervention, no radical change of policy emerged. Mr. Noon's speech had the effect, however, of displeasing the President, and the Republicans ceased to receive his blessing.

The President is not averse to making political capital out of his ministers' shortcomings. More than once he has expressed a desire to play a more active role in politics; recently he suggested that his notion of "controlled democracy" meant no more than that he was asking for "checks and balances" in running a democratic system. Mr. Suhrawardy, leader of the Awami League, and a former Prime Minister, accused his greatest political rival of exceeding his constitutional powers. It is sometimes suggested that President Mirza wishes to be an American-style head of state; if this were true, he would surely have built up his own party. (The Republicans could hardly be given this title).

Mr. Noon's Government has depended all along on the support of the 13 Awami League members in the assembly, but Mr. Suhrawardy, being the shrewdest parliamentarian in the country, refused the lure of office as he wished to face the country with a clean record for himself, and with damning criticism for his rivals. But other politicians have been less wary; Mr. M. A. Khuhro, a powerful influence in Sind, left the Muslim League to accept office under Mr. Noon, while another Sindhi leader, Mr. G. A. Talpur, who resigned from the Government in March, returned a month later. Thus an attempt to

make the present Government as broadly based as possible continues, but the situation in Karachi remains unstable because of events in the provincial legislatures. In East Pakistan the Awami League administration was defeated by a combined opposition vote, but was reinstated on orders from Karachi—otherwise Mr. Suhrawardy would have withdrawn support at the centre—and the provincial Governor dismissed. In West Pakistan the Republicans and the Muslim League are locked in mortal combat, and it is sometimes difficult to understand what the dispute is about as members of either party constantly cross the floor to reinforce their opponents' ranks. The National Awami Party, which is committed to the breaking up of the West Pakistan province, has also entered the fray. It is becoming increasingly clear that even if elections are held in November as claimed, stability will not return to the country because no Government can be formed without a neatly-balanced arrangement between East and West Pakistan.

Ceylon

Troubled Island

From J. A. Perera in Colombo

Ceylon is once again a troubled island. Communalism and widespread labour unrest, two recurring problems to which the Prime Minister, Mr. Bandaranaike and his Government have failed to find a lasting solution, have cropped up again in the country. The application of temporary, patchwork solutions to these twin problems, has proved that until they are satisfactorily and permanently solved, they will recur periodically, sapping the energy and time of the Government while impeding national development and growth of the country.

An outbreak of communalism which heralded the birth of the Sinhala Only Act has broken out in a much worse form, threatening to disrupt the unity of the nation. The Language Pact with the Federalists, which was hailed as the greatest achievement of the present Government, was abrogated by the Government. The series of events which led to the Pact being torn up began with the Federal Party's opposition to the Government's sending Sinhalese "Sri" lettered buses to the predominantly Tamil, Northern and Eastern Provinces. This action led to the revival of the Anti-Sri Campaign in these areas, where the Federalists took the law into their own hands, obliterated the Sinhala "Sri" on the number plates of the Government's nationalised buses and replaced it with the Tamil "Sri" letter.

Counter demonstrations by the Sinhalese communalists were led by Mr. K. M. P. Rajaratna of the Sinhala Language Front. They went round Colombo and the other predominantly Sinhalese areas with tar pots and brushes erasing all the Tamil lettering on sign boards in Government offices, street junctions and at the Tamil owned business establishments. Even the Prime Minister's official Cadillac did not escape the campaigners' brushes. The board at the rear of the car which was in English, Sinhalese and Tamil, cautioning motorists that the vehicle was left hand driven, had its Tamil lettering erased with a liberal coating of tar.

These actions and counter actions led to the abrogation of the Pact. The Prime Minister announced that it was impossible for him to implement the Pact with the Federalists as they had violated it by reviving the Anti-Sri Campaign. After the Pact was scrapped, the Government took firm action against all who defaced either the number plates of buses or the official sign boards in Government offices.

Seven Federal MPs, including their leader, Mr. S. J. V.

Chevanayakam, were arrested by the police and plaints filed in the courts against them for defacing the Sinhalese "Sri" on Government owned buses. This, however, did not daunt the Federalists from carrying on their campaign. In hundreds they courted arrest by tampering with the number plates on the buses. But no arrests were made. Instead, the Government withdrew the Sinhalese "Sri" numbered buses from the northern and eastern provinces.

The Federal Party has now decided to intensify its civil disobedience campaign as a protest against the abrogation of the Language Pact. Indications are that the Campaign will be conducted on the following lines: (a) a mass campaign of ticketless travel in the state owned buses and railways, (b) refusal to pay taxes, and (c) refusal to acknowledge the authority of the Central Government by ignoring court summonses and refusal to pay fines imposed by the courts. All these phases of the Campaign are being planned to court arrest and imprisonment on a large scale by the Federalists.

The Government, however, hopes to weaken the Campaign by wooing the support of the Tamils who are opposed to Federalism. This is the Government hopes to achieve by the introduction of two Bills in Parliament incorporating legislation for the "reasonable use of Tamil" and the setting up of Regional Councils with autonomous powers.

Following on the heels of the Anti-Sri Campaign came the strike by nearly 35,000 Government servants' demanding higher rent allowances, lowering of the cost of living and full political and trade union rights. This was followed by another major strike in the private sector. The Communist controlled Trade Unions in the harbour, tea export, industrial, printing and commercial firms brought out their 25,000 members on strike demanding Government rates of pay. The Government refused to grant any more financial concessions to its employees as it stated that already it was spending 38 percent of its annual revenue on them and their emoluments, which totalled over 500 million rupees for its 212,000 employees. The Government further pointed out that since its assumption to power it had, within two years, given its employees increases in salary to the extent of over Rs. 80 million. The strike by the Government servants, although paralysing the administration of the country, failed to dislocate the essential services.

The Government which earlier adopted repressive measures to break the strike, was forced to withdraw them due to pressure by the Trotskyite Leader, Dr. N. M. Perera, who is also Leader of the Opposition in Ceylon's Parliament. Dr. Perera threatened to bring out his unions to join the strike if the Government did not withdraw the army from the streets and lift the ban imposed earlier on picketing, processions, public meetings and posters. The strike, however has been settled by the Government without loss of face and without giving in to all the demands of the strikers. The Prime Minister, who has earned a reputation for deftly and diplomatically handling labour problems in the country, was once again able to use these tactics and get the strikers back to their desks before the position worsened. In his handling of this situation, Premier Bandaranaike scored a significant victory and enhanced his prestige as a tactful leader.

India

Communist Congress

From a Correspondent in Delhi

The development of constitutional Communism by adhering to the democratic party-political means has got under way following the recent special annual Congress of the Communist Party of India (CPI) held in Amritsar, in Punjab. It is now

clear that the ballot box role to consolidate Communism, first outlined in the Palghat Congress two years ago, will be increasingly intensified. For this reason the Amritsar Congress amended the Party Constitution to enable CPI to function nationally as a mass democratic organisation without modifying its tie-up with the International Communist movement.

The reformed Party Constitution gives the impression that CPI has adopted some aspects of the National-Communism of Yugoslavia in order to buttress its political position in the domestic field. Consequently the latest democratisation has been put into effect primarily to gain the support of dissatisfied-thinking people and intellectuals and secondarily to take the complete charge of the agrarian political movement spearheaded by the All India Kisan Sabha (Agricultural Council). Since the peasantry forms the main bulk of the Indian population, it is significant that CPI has started expanding its agrarian following with a view to lining up a sizable portion of the rural electorate on its side.

It is therefore not surprising that at the Amritsar Congress the problems of reorganising the various *kisan sabhas* (agricultural councils) operating at village and district levels with the purpose of making the All India Kisan Sabha follow the CPI leadership were discussed. At present the majority of the members of these councils are non-Communists, but the leadership is generally in the hands of Communist functionaries in the rural areas. The Amritsar Congress has directed that the functionaries operating at the village and district levels should increase CPI influence on the peasants so that the *kisan sabha* movement could form the backbone for the realisation of its political objective of communising India eventually through parliamentary election contests. Perhaps this explains why, timed with the conclusion of the Amritsar Congress, the All India Kisan Sabha held a special meeting presided over by A. K. Gopalan, one of the top CPI leaders, and adopted a programme for energising the rural political campaign.

The eight-day special CPI Congress held from April 6 to April 13 adopted a 10-point programme for intensifying its political campaign and passed a number of resolutions re-stating solidarity with International Communism. In order to get along well with the current sentiment of nationalism prevailing in the country, it shaded its aspirations with a calculated Nationalist-Communist colour. This was reflected in the full support of the foreign policy of the Indian Government and in the declaration that CPI favoured the carrying out of the second five-year plan in its entirety. The democratisation of the party structure too indicated the application of National-Communism to achieve domestic political and economic aims.

As a result of the congress, CPI has replaced the Politburo with a 25-member Executive Committee and the Central Committee with a 101-member National Council. Also a seven-member Party Secretariat has been elected to run the normal party affairs headed by the general secretary. Thus not only has the leadership been made collective, but the required organisational precaution has been taken to prevent top leaders from developing clique politics. This safeguard against the rise of a "ginger group" movement within the party, it is said, will enable CPI to reinforce discipline and combat individualism, function as a mass political organisation and utilise the nationalist trend to its advantage.

The 10-point programme, divided into two equal parts, was included in a long political resolution approved by the congress. The first part, dealing with general questions, urged the party to concentrate on the following issues: (1) radical land reforms, (2) full-throttle campaign against communalism, casteism and separatism, (3) refugee rehabilitation, (4) extension of more democratic rights to the people, and (5) popularisation of Communist parliamentary activities both in the Indian Parliament and in the Legislatures of the States. The second part, outlining the plan for immediate consolidation of Communism in the country, demanded: (1) realisation of the targets of the second

five-year plan without any curtailment, (2) further strengthening of economic cooperation with Communist countries and prevention of the penetration of American capital; (3) nationalisation of big banks and wholesale trading in foodgrains and expansion of state trading; (4) establishment of national control over British and Indian monopolies and ceiling on profit of British and Indian monopolies; and (5) effective state control over trade in national interest.

Impartial observers are of the opinion that the latest CPI campaign programme is aimed at reducing the political influence of the conservative section of the Indian National Congress Party. This section is determined to retain the ruling power, even though the Socialist wing is clamouring for the implementation of more Socialist type of political and economic measures. Mr. Nehru is trying to balance the right-left forces within the Party. CPI is backing him because it knows full well that in view of his national popularity a "Nehru denunciation campaign," if launched, would be to its greatest disadvantage. Therefore CPI is attacking the rightists whom they are blaming for impeding the progress of the national socialisation programme of Mr. Nehru. It is obvious that CPI has adopted Mr. Nehru as their political shield. It accepts his criticisms in good grace as a safety measure. Following the conclusion of the Amritsar Congress, when CPI organised a two-mile long procession, the processionists shouted many anti-Indian National Congress Party slogans, but they repeatedly cried "Long Live Nehru."

Nepal

Constitutional Reform

From A Correspondent

The first step towards developing stable party politics as a means of providing Nepal with a parliamentary form of administration has been taken by King Mahendra who has appointed a five-man commission to prepare a draft constitution for the country. Early in February a Royal Proclamation announced that the country's first general elections would be held for Parliament and that a special commission would prepare a draft of the envisaged parliamentary constitution.

The proclamation not only put an end to party-political opposition to the temporary King's rule without a cabinet, formed by representatives of the major political parties, but all the opposition denominations welcomed it as a true democratic measure enabling the country to frame its own democratic constitution under the throne. Most of the key parties are represented in the constitutional commission. Nearly six months ago the King dismissed the Singh Ministry due to popular political opposition and its failure to compose its differences with the top-ranking members of the permanent staff. Since then he has been administering the country without a party-political cabinet as an interim measure. As soon as the general elections are held and the elected Parliament approves the draft constitution, the democratic form of party-political rule will be established in the country with the King acting as the constitutional monarch.

Nepal, which had been without a constitution until the overthrow of the direct and absolute Rana family rule, was given a provisional constitution by the late King Tribhuvan, father of the present monarch, on February 18th, 1951. At that time King Tribhuvan had declared that the country's constitution would be framed by a Constituent Assembly elected by the people. Now it has been decided that the first elected Parliament should consider the draft constitution prepared by the five-man

commission with a view to adopting it, if necessary with re-adjustments and amendments.

It is understood that in drafting the constitution, the commissioners will take into full account the governmental systems existing in countries having constitutional monarchies. If required, they will seek the assistance of foreign experts. The political parties of Nepal clearly say that under the proposed parliamentary system the country will have a constitutional monarchy similar to that of Britain. They also express the opinion that the general elections could be held later this year to inaugurate the first parliamentary form of government under constitutional monarchy before the end of the year.

Certain high-ranking Nepali intellectuals, though welcoming the projected reform, feel that it would be by no means easy to have an efficient parliamentary administration for two fundamental reasons: one, political parties have not yet attained sufficient maturity to run the country, and two, the mass illiteracy and economic and social backwardness would hinder the functioning of a proper party government.

According to official statistics, out of Nepal's total population of 8,500,000, only about 4,013,000 have Nepali as their mother tongue. Other language groups include Hindi—80,000, and Sherpa Bhutia language—70,000. The Hindi-speaking people, who are Indians and mainly reside in the Terai areas, have already started an agitation for the recognition of Hindi as the second official language of Nepal. They are more politically conscious and economically prosperous than the hill people of Nepal proper. Furthermore, 115,000 Nepalese have made India their home. The number of moderately educated Nepalese is 8.3 percent males and 0.7 percent females. There are only 71 women graduates compared with 2,538 male graduates in the country. Bachelors outnumber spinsters by 412,150 and this has given rise to a complex social problem in Nepal where polygamy is practised. The number of unmarried Nepali people employed outside the country and who return home occasionally total 216,853, of whom as high as 150,323 are employed in India.

Simultaneously with the proposed constitutional reform, King Mahendra has approved his country's first five-year plan started in 1956. Actually the plan will now operate on a three-year basis to end in 1960. The dismissed Singh Ministry had tried to trim it off on the ground that it permitted "India to dominate the economic life of Nepal." It is estimated that by the end of 1960 Nepal will have spent 330 million rupees (£24,750,000) to fulfil the planned targets. India's total aid for the plan amounts to 100 million rupees and China has given 60 million rupees aid in cash and equipment.

Under the Chinese-Nepali aid agreement signed in October 1956, China would give within three years 20 million Indian rupees to Nepal in cash and the remaining 40 million rupees in terms of machinery, industrial equipment and other goods which Nepal needs and which China can provide. Last year China paid to Nepal 10 million rupees in cash and the remaining 10 million rupees were paid in February this year. Meanwhile, the Chinese-Nepali Treaty of Friendship and Trade of September 1956 regularising Nepal's relationship with Tibet has been ratified by both the contracting parties. The accord, for the first time in history, introduces passport-cum-visa system of travel between Nepal and Tibet, but reaffirms the maintenance of the traditional mutual economic, social and cultural relations. While the authorities at the Tibetan capital of Lhasa have already enforced most of the treaty provisions, Katmandu, capital of Nepal, is only now putting them into effect.

The treaty provides for the immediate appointment of a Nepali diplomatic representative of consular rank in Lhasa and three trade agencies in Tshigatse, Kyerong and Nyalam trade centres in Tibet. Also four specific markets in Tibet are named for the Nepalese to trade. The Nepalese Government has issued instructions to its border authorities for the enforcement of the treaty provisions, especially along the 500-mile long northern frontier with Tibet. Crossing of pilgrims and frontier traders will not require travel documents which will also not be necessary for continuing the customary border trade.

Malaya

Economic Shadows

From our Kuala Lumpur Correspondent

In quick succession, the Malayan people have been given two shocks which have caused them to take stock and give serious thought to the future. The first concerns the country's finances and a grave warning that prospects for 1959 are not bright following a decline in the price of rubber and the now eight-month old tin restrictions. Second shock was an exposure of plans by the National Union of Factory and General Workers to stage a working class revolution.

Malaya is sharing in the general economic malaise which is affecting most parts of the world at the present time. The situation, while potentially serious, does not so far, at all events, give any indication of pending slump conditions. The Minister of Finance, Colonel Sir Henry Lee, has painted a frank and sombre picture of the country's immediate prospects failing (and this is unlikely) some early stimulant to Malaya's basic industries. Sir Henry made it crystal clear that the situation demanded stringent Government economy now. This year the Government is to spend only \$167.9 million (Malayan) on its third year of its five year capital development programme. The total cost of the programme has been placed at \$1,138 million.

The expenditure this year is no more than a continuation of the works to which the Government was contractually committed at the end of 1957. There will be no launching of new development projects this year except if they can be financed by external agencies.

Unless there is a definite prospect of new big money long-term loans, there will have to be a drastic curtailment of ordinary and development expenditure next year. It was unfortunate, said the Finance Minister, that local loans did not receive the support of local investors to the extent the Government would like. "This partly arises from the lack of a local money market and the fact that local loans are relatively illiquid in the sense that they cannot readily be disposed of in large quantities before maturity. A contributory reason is that many local firms and individuals have no tradition of investing their liquid resources in fixed-interest loans. They prefer the chances of much greater profit, and the accompanying risks, that flow from financing local industrial and commercial enterprises," he said.

Turning now to the second "awakening" to the country, the Deputy Prime Minister, Dato Abdul Razak, has made public a two-year old May Day circular signed by Mr. V. David, a Kuala Lumpur Municipal councillor representing the Labour Party, in his capacity of secretary-general of the National Union of Factory and General Workers. Waving a photostat copy of the circular, Dato Abdul Razak said it was addressed to "Comrades" of the Union and ended with the following words:

"On this May Day, branch officers should expose the true colours of the present big business administration and through militant (and I repeat 'militant,' said the Minister) trade unions only, the emancipation of the working class can take place. Tell the workers to be prepared for working class revolution. A working class revolution can only bring a change in the political, economic and social life of the toiling masses."

The Deputy Prime Minister said it would be noted that the tone of this letter was not only similar to Communist

utterances but also would be interpreted as an incitement by the workers. The Minister was explaining why his Government had banned May Day processions and demonstrations throughout Malaya again this year, despite protests from trade union leaders that they should be allowed. Dato Abdul Razak said that the circular he had just read was confiscated in 1956 at the last occasion May Day processions were allowed in Malaya. Mr. David has since been arrested.

Since the Emergency began in Malaya, almost 10 years ago, 1,856 members of the security forces have been killed, and 2,468 civilians have been murdered. In addition the Emergency has cost the Federal Government \$1,300 million.

Today with militant armed terrorism virtually at an end in Malaya—in Selangor State alone there are now only 24 terrorists remaining in the jungle compared with 1,200 at the height of the Emergency in 1950-51—there is a fear that the Communists will do their utmost to infiltrate into lawful organisations, like trade unions and political parties, and try to use them as a front to carry on their indoctrination.

Another item which has been in the news here is the need for getting more Malays into commerce and industry, which for years has been the stronghold of the Chinese, Indians and Europeans. It has been argued that Malays have never been given the chance, but today many firms, both European and Chinese, are prepared to give openings for Malays if they can get them.

Only recently, the Chairman and Managing Director of Dunlop Malayan Estates Ltd., wrote to say that his organisation was still finding difficulties in getting Malays. "During the last two months," he wrote in a letter to the Minister of Commerce and Industry, "we have sifted close on 200 applications and we finally had, along with a few others, three Malays, to whom we wrote asking them to present themselves for an official interview. We have not, from that day to this, received an acknowledgement of our letters."

This is not an isolated case by any means, and it is obvious that until the Malays themselves are prepared to try and go into business no amount of encouragement, whether private or governmental, can help the situation.

Singapore

Towards Self-Government From Our Singapore Correspondent

The ceremonial opening of the Legislative Assembly on 9th April by Sir William Goode was probably the last one to be performed by a colonial governor. The new session was the third and last of the present Assembly's life. In his opening speech, Sir William recalled that it had been agreed Singapore should take over the complete internal self-government of the island; the Federation of Malaya Government would share responsibility in the field of internal security; and the British Government would continue to be responsible for Singapore's external relations and defence. On the future, Sir William added that the Government would recommend to the Assembly the holding of elections for an enlarged 51-seat assembly under the new constitution "as soon as it is practically possible to do so." However, the date for the elections is still the subject of much speculation, and it is likely to be the beginning of next year. The Chief Minister, Mr. Lim Yew Hock has already publicly announced that it is his Government's intention to introduce compulsory voting for the next general elections. This will almost certainly delay polling for about six months which will have to wait upon the completion of the complex task of finalising the new electoral roll and hearing claims and objections. In the meantime, the Chief Minister has said this delay will enable the electorate as a whole to obtain a better picture of present political development in Singapore and a clearer idea of "what it means to vote." He added, for good measure, that Singapore will not have a general election until it is certain that subversive elements are not going to sweep into power.

Meanwhile, the 100-page draft of the new constitution by which the self-governing State of Singapore will be created was sent from England. There was a spate of rumours concerning the contents of this draft. One of the most astonishing was that Singapore Government expatriate officers' pay and allowances would be consolidated and consecrated in the constitution. Then there was a story that the British Government had reversed its approval to delegate responsibility to Singapore for its own trade and cultural relations.

The All-Party delegation of the Chief Minister, the Minister of Education, Mr. Chew Swee Kee, People's Action Party Assemblyman, Mr. Lee Kuan Yew, Liberal-Socialist Assemblyman, Mr. Lim Choon Mong, and the Minister for Local Government, Lands and Housing, Enche Abdul Hamid bin Haji Jumat, which went to London last year, studied the draft, and has been in London for discussions with the Colonial Office.

There is little doubt the most controversial clause in the constitution is the "last-minute" proviso disqualifying political detainees under the Public Security Ordinance from contesting the first election. Secretary of State Mr. Lennox Boyd already knows that the Singapore Assembly does not like this clause, but he does not know, nor does anyone else, what the All-Party delegation intends to do about it. The promised All-Party meeting in Singapore to discuss an agreed line of action was never held.

The Elias Commission report on graft and illegal practices in the Singapore Legislative Assembly by-elections in June, 1957, which has just been published, is a strong indictment of all except two of the candidates in these by-elections. The Commission confirms that there is an extremely strong secret society



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influence on local politics which is exercised in two ways: by intimidating the electorate to vote for the candidate the gangsters have been paid to support; and by preventing persons likely to support another candidate from voting. The Commission made several proposals for combating the corrupt practices involved including the introduction of compulsory voting, the amendment of the present election laws, and the imposition of heavier penalties for bribing or bringing other undue influence to bear on voters.

The world-wide recession has affected Singapore's economy in no small way. The Singapore Government has now decided to shelve five major development projects costing more than M\$13,000,000, at least, during the remainder of the term of office of the Labour Front Coalition Government.

opposite point of view. They exhort the Kishi Cabinet stand, calling the Liberal-Democratic Party "Two China" policy "not only one of weakness, of over-reliance on the United States and its Far East lackey, Nationalist China—a disgruntled and overthrown regime—but also one of danger since Japan is used as a pawn in the great ideological clash between eastern and western camps."

The Socialist Party virtually admitted its defeat at the polls, but announced it will ask the Government to send a bipartisan Diet group to Peking to seek a solution to the trade crisis. It also said it will despatch its own representatives direct to the People's Republic capital to seek improvement in diplomatic and trade relations. Socialist leaders claim that the Government is trying to evade its responsibility for the deteriorating trade relations with mainland China.

The further point is this: that while the Liberal-Democratic Party and its supporting coterie of powerful business and industrial interests hold that only trade with Nationalist China will benefit Japan economically, the Socialists, just as strongly, defend their proposition that Japan's economy can better be strengthened by trade links with mainland China, Japan's historic and traditional pre-war market.

Some people see the sense in Conservative reasoning. Japan's China market pre-war was forged by Japanese bayonets, and any potential post-war market on the mainland must, it is said, take into consideration China's reliance on the USSR and the fact that Peking's leaders will only offer economically when they can be sure to gain politically. Many people here believe that the true facts of trade show that Formosa is more in a position to take Japanese goods and sell Japan the goods Japan seeks than is China.

But the Japanese Government must walk a careful tight-rope. It cannot afford to alienate the eastern camp just to please the west. It must recognise the fact that Communism has settled in China to stay and has made broad and successful continuing penetration elsewhere in South-East Asia—Japan's backyard. A Japan that alienated an Asia that could go Communist would scarcely be attractive to an Asia after it went Communist, and Japan must, now and always, trade to survive.

The Kishi Administration knows about frying pans and fires. It has jumped from the one—the wrangle with Formosa over the latest China-Japan trade treaty and the flag-flying rights—to the hot potential fire of attack from Peking. In appeasing the Government in Taipei it has aroused the wrath of the mainland Chinese authorities. There could be no other choice. Peking had to recall its two trade delegations; Taipei had to smile and applaud; the Socialists had to charge their rival at the polls with "utterances that would vex the People's Government with which Japan must expand its trade," and Mr. Kishi has to call Peking's activity interference with Japan's political and domestic affairs.

Asian Artists Exhibit In Lugano

At the Fifth International Exhibition of drawings and engravings, held in Lugano, Switzerland (3 April-15 June), works of artists from 32 countries are on show, including China, India, Indonesia and Japan.

applied in different soil to different problems.

We do not know who Mr. C. R. M. Rao is, but he seems to take a peculiar delight in his attempt to discredit a really great man and a very important movement. And what has he, in fact, to say about it? He wanders over three pages merely to tell us:

1. That it has not hit its own target. Nobody has disputed this.

2. That it is popular and dramatic and that "the leaders of the movement in (sic) all their saintly penchant for humility and love of simplicity have said or done little

Japan

"Two Chinas" Issue

From Stuart Griffin

(EASTEN WORLD Correspondent in Tokyo)

The conflict over the "Two Chinas" issue raging between the Liberal-Democratic and Socialist Parties clouded the national election here; it even threatened to eclipse all other issues over which the rival parties were at loggerheads.

The Prime Minister, Nobusuke Kishi, champion of trade with Nationalist China on Formosa, yet a man who winks while private industry here reaches out for trade ties with the Peking regime, calls the mainland's criticism of Japan, and of himself personally, as a "breach of international faith and justice." He has stated that the Peking attack constitutes "an intervention in Japanese domestic affairs" since the Communist Chinese "are voicing opinions in connection with the Japanese general election."

The Liberal-Democratic Party has prior commitments to the Chiang Kai-shek regime in Taipei. This dates back to the time of the San Francisco Peace Treaty in 1952 when the American Secretary of State, John Foster Dulles, in a letter to the Japanese Government, directed that Government to recognise the Nationalist Government on Formosa. The conservative administrations that have guided Japan's economic and political destinies have always supported the policy of cooperation with Nationalist China with which Tokyo has full scale diplomatic relations. The conservatives, in line with a pro-American policy that has benefited Japan greatly in the vexing 12-year post-war period, have long argued that close ties with Formosa are a requirement for continuing to have America's blessings, and vast economic aid.

The Socialists, in power but once since 1945, and then only with a coalition cabinet headed by the now politically unimportant Christian leader, Tetsu Katayama, takes a diametrically

Letters to The Editor

VINOBHA BHAVE

Sir.—Under the title, "The Great Indian Illusion," your May issue contains a three-page sneer at the work of Vinoba Bhave.

Supporters of this movement have long been aware of weaknesses—in fact its leaders have been the first to point them

out, and this has been regarded by most of us as a sign of health. At the same time the mere existence of a movement such as this is regarded by many people, in all parts of the world, as a reason for hope. In a world full of unpleasant alternatives and ugly fears here, at least, we have said, is something worthy of our admiration and support. Perhaps, even, the spirit which animates it can be

to curb this drama and excitement." Why should they? And why the cheap sneer at a "saintly penchant"? The implication is that Vinoba's humility and simplicity are mere affectations.

3. That other forms of gifts, such as that of life-service, have now been incorporated into the original movement; and that this, in some unspecified and unproved way, has weakened it.

4. That the "logic" of giving away everything you possess is "to renounce the world and retreat to the Himalayas." Why? Did Gandhi do so when he renounced personal possessions? Does Vinoba Bhave do so today? And why should he?

5. That "Bhoodan" "cannot be regarded as a democratic force, except in a negative sense." This implies that democracy has nothing to do with a more equitable distribution of land. Does Mr. Rao really think that democracy is compatible with, say, feudalism?

6. That "Gramdan" (gift of whole villages) "makes short shrift of democratic virtues." How, the author does not explain except that, by implication, he equates democracy with what Americans call "rugged individualism" and assumes that people are *forced* into cooperation, which he suggests by inuendo, but without proof. The innuendo is assisted by a "slightly rearranged" quotation from Vinoba Bhave. It would be of more value to know what Vinobaji really said and in what context!

In point of fact—and facts are the hardest things to find in this long, malicious article—the one really dangerous thing about "Bhoodan" is that too much splitting of holdings might reduce total productivity. As equitable distribution is at least as important as total productivity, few supporters of "Bhoodan" are going to lose much sleep over the thought that there might be less to share if, in fact, it is to be shared at all and not kept in the hands of a favoured few. But the problem of total production remains: and the answer to those who fear that it may be diminished by the decline of the big landlords in any country is that large units can be preserved and worked cooperatively.

This, admittedly, requires education and patience if it is not to be done forcibly. But Mr. Rao seems incapable of thinking about cooperation except as a means of making the individual "no more significant than . . . a speck of dust in an acre of land." The same, of course, could be said, with much more truth, of the individual voter in even the most democratic election. The whole point about producer's cooperation is that the individual is *not* a mere speck of dust but much more able to participate in the running of a farm than he can ever hope to be in the running of the State. Even Mr. Rao, in a moment of partial illumination, concedes

that "theoretically, of course, cooperative farming need not always or necessarily be undemocratic." Really? How on earth did Mr. Rao discover this profound truth?

This article will do no harm to Vinoba Bhave's movement in India. The writer probably realises that he cannot stop the progress of that movement in his own country. And so he writes in EASTERN WORLD in the hope that at least he can discredit the movement abroad. Fortunately those who live in other countries and are interested in Vinoba Bhave's work are unlikely to be influenced by this article, except to the extent of wondering why it was ever written. And the most obvious answer appears to be that mean-spirited people are apt to have a pathological jealousy of great ones!

Yours faithfully,

REGINALD REYNOLDS

London, S.W.19

ETHEL MANNIN

INDIA AND ISRAEL

Sir,—I read Werner Levi's article on "India, Israel and the Arabs," in the April issue of your magazine with interest and some confusion. What is Mr. Levi trying to prove? He seems to have used India's rather uncharacteristically indecisive policy towards Israel as the excuse to spend two or three pages in ventilating his dislike and disagreement with India's neutralistic outlook—which is not surprising for an American.

There are many people who believe India's relations with Israel have been shabby, and that Mr. Nehru could have used his influence with Arab leaders to bring about a better atmosphere between the Arab world and Israel. Werner Levi seems to be more concerned with criticising India for doing something of which she cannot be rightly accused—trying to form a united Asian front against the West. He says that India tries to minimise Asian "family" quarrels to give an "impressive demonstration of Asian solidarity," and yet says nothing about India being at the very heart of the most dangerous Asian family quarrel, Kashmir, the importance of which India makes no effort to minimise.

The writer makes a bigger fool of himself when he tries to prove that the Indian Government countenances Communist military alliances while condemning SEATO and the Baghdad Pact. His analysis of certain facts is rendered null and void by his obvious certainty that Russia and China will undertake outright military aggression any moment now. This view, which is considered anachronistic by enlightened students of world affairs in Europe as well as Asia, pervades the whole of Mr. Levi's article. He would have been more interesting if he had stuck to Arab-Indian and Israeli-

Indian relations, and told us something of how India's support for Israel's participation at the Bandung conference had affected relations at the time between Delhi and the Middle East.

Yours, etc.,

PAUL GUNDRUN

Brussels, Belgium.

CARS FOR CHINA

Sir,—May I be permitted, as a businessman trading with China, to comment upon one paragraph in Mr. A. S. Dick's important article "The British Motor Industry in Asia" which appeared in your May issue? Mr. Dick mentions that exports of British cars and commercial vehicles to China are "sporadic and of little significance," for which he rightly blames "political factors." He is also right in explaining that the embargo policy of the US and Britain has caused China to establish her own vehicle industry, as she has indeed also done in other industries which, because of the embargo, thus lost millions of pounds worth of orders. But Mr. Dick is wrong if he presumes that "vehicle starved" China is refraining from buying British cars—as she could do now under the partly lifted embargo—because of these new Chinese industries. The Chinese are obviously not making full use of the present embargo relaxations because they are not satisfied with the continued existence of a substantial embargo list. The making of small concessions in order to assist our industries will not wipe away their complaints about the remaining majority of the embargo, and as long as this ludicrous and senseless political measure remains in being, trade with China will continue to be "sporadic." But where Mr. Dick seems to be under a serious misapprehension is his opinion of the potentialities of the Chinese market for British vehicles. He believes that the new Chinese motor industry may have the consequence that "in time, the Chinese may become self-sufficient in vehicle manufacture, an unfortunate economic result as far as British vehicle manufacturers are concerned." Anyone who knows contemporary China can assure Mr. Dick that he need have no fears on that account. On the contrary, as the President of the Society of Motor Manufacturers, he is entitled to the highest hopes from that market. There is no doubt that the Chinese mean business if they say that they intend to achieve present-day British standards within the next 15 years. As there are 6,900,000 cars in Britain today, China should possess, at that ratio, about 80 million cars by 1973! I do think Mr. Dick is somewhat under-estimating our chances in China.

Yours etc.,

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Recent Books

CHINA AS YOU LIKE IT

The Blue Ants by ROBERT GUILLAIN (Secker and Warburg, 25s.)

FEW of the many books about China written during the past two years have been hailed by the western press as much as M. Guillain's account of his journey to that country in 1955. One need not read many lines before one realises the reason for this enthusiasm: the author did not exactly enjoy his visit. In fact, he felt "stifled" when he left after two arduous months during which he managed to make sufficient observations to lend authenticity to his intellectual formulae of disgust. M. Guillain is a past master of disarming attack. His method consists of describing all good things and simultaneously going to infinite pains in proving that they are, in reality, bad. The result is confusing, but convenient. For it enables anyone wishing to attack China to quote the negative as the ultimate conclusion, while the positive achievements, generously acknowledged, serve to cloak intellectual irritability with the disguise of objectivity.

M. Guillain, who had visited China 20 years ago, at the time of the Japanese conquest, and then again in 1946 and 1949, went there six years later with, he tells us, a nostalgic feeling. His expectations were disappointed. Why, is difficult to understand, for his reminiscences of the pre-revolutionary China consist mainly of appalling pictures of "war, poverty, graft, humiliation, hunger and death." Yet, he sighs "the Chinese are no longer the same."

"Where was the flurry of the olden days—the stations flooded by a filthy crowd, the rags, prostrate beggars, thieving, begging urchins, dirty offices, the smell of excrement and the flies?"

Where, indeed? But the orderly, clean conditions now prevailing, must not delude us.

"... we must be careful. I am well aware that in Asia and China one must be on one's guard against assuming too much from mere outward appearances... I know from other sources, having for the past years studied the situation of the country as described by the Chinese Communists themselves, that in those very regions through which my train passed, millions of peasants during those years have suffered severe privations amounting at times to famine..."

The author cites the new workers' cities "more numerous vaster than I could ever have imagined," but he also was to "see that ocean of ancient hovels as the train passed through a town." "Does China still offer the sight of coolies pouring with sweat as in the old days?" he asks. And beware and behold, the wicked new regime which in long, long 6 years had proved incapable of rehousing 600 million people had failed here again: there were indeed coolies, but "of course, today they are 'comrades'". What M. Guillain does not tell us is that these coolies are very different human beings from what they were in the "good old days," that they have a guaranteed minimum income, don't starve, have plenty of recreational facilities and the dignity of citizens.

However, it would be unfair to draw attention to this little lapse. For M. Guillain, in his impartiality, is the last to deny that material progress has been made. On p.83, he acknowledges that the new regime

"has undoubtedly succeeded in serving the masses by bringing them appreciable improvements in their standard of living."

Yet, on p.91, he claims that the workers have not really benefited by the industrialisation:

"... who profits by this increased productivity? The worker in proportion to his toil? Not a bit of it, the collective."

Now we know. Though the worker is better off, he does not really profit by productivity. For anyone who has spent some time in China and witnessed the plainly visible improvement of living standards even within a span of several months, this is just nonsense. Not even the author wishes us to take him seriously on that point. For, summing up his experiences, he does not deny Communist China's "astounding material successes."

But on the other side of the balance sheet, he says: "Communism, as it is understood today in China, has made the air unbreathable for anyone who intends to remain a man and not become a robot." He found that the revolution has deviated from its path—that of liberation of man—and has fallen into contempt for the human being, thus turning "Asiatic men into an insect." In line with the other almost scientifically painstaking contradictions which characterise this book, M. Guillain deplores the loss of individuality amongst the Chinese, only to follow this lament with pages of proof showing that independence of spirit, free and critical judgement, a love of debate and sharp wit have never been the qualities of the Chinese masses. "The man of the people in China," he says, "has never known political or economic liberty. He has always been passive." This does not prevent M. Guillain condemning the "unbreathable" atmosphere of China today, and the regime which turns people into unthinking, dull robot insects, thus presenting a spiritual balance sheet which is "terrifying."

The picture M. Guillain paints is that of Chinese facts seen through the intellectual spectacles of a French individualist. And his argumentation is subconsciously influenced by the silent question as to whether Chinese methods would work out in France. They would not. Nor would French political flexibility help the Chinese at the moment. Neither would it be possible to pull backward China out of her thousands of years-old mire by impassioned boulevard coffeehouse discussions. Whether what is happening in China today is good for the Chinese, is for the Chinese to decide. And if they are happy, as they have all reason to be, it is unfortunate to say, as M. Guillain does: "The good and the best burst forth everywhere in China on the fringe of and despite the regime." M. Guillain's exasperating book is cleverly presented in a form of breathtaking contradictions desperately emphasising the author's fears of being "labelled as belonging to one of the two camps which today are tearing the world into two." Nobody will "label" M. Guillain as belonging to the devotees of the new China, but few will find it possible to absolve him from having done substantial harm.

H. C. TAUSIG

Changing China by MICHAEL SHAPIRO (*Lawrence and Wishart, 15s.*)

Mr. Shapiro has written an informative book about China since the liberation, with many a glance back at pre-Communist days for unfavourable comparisons. Economically and nationally, the picture is bright. China has laid the foundations of a powerful modern industry which produced its first aeroplane in 1954, its first jet and truck in 1956, has put a railway across the Gobi Desert, is in process of harnessing the Yellow River's power and had its atomic reactor last year. But when the sights are narrowed, the average peasant still leads a near-danger existence. Most of the peasants now live above the level of bare want, but "there is a long haul still ahead before they reach a margin of ease or prosperity by any reasonable standards. Nor, according to this statement and the detailed figures produced to show that, though the factory worker's income is much higher, his necessary expenses are almost twice those of the farmer, can his life be all that rosy.

Much that is salutary has been done. The 63 million children in school constitute an all-time record: there are three children in school now for the one in 1949. Since 1949, in Peking alone, there are 953 new schools. And everywhere, the accent is on youth; twenty-odd year-old factory managers, engineers in charge of vast projects and so on. Mistakes have been numerous; the author does not allow his obvious bias to blind him to them, though he argues that, on the whole, these have been transformed into useful lessons for the future.

Finally, what Robert Guillain has called the "head policy"; with the "hundred flowers" blooming, there has been less of the made-to-formula stuff with its dull dogma and lack of verve. Films, which were censored all along the line as far as the Ministry of Culture, are now less subject to unnecessary control; as a result, from a production of only eight in 1953, there was a jump via 18 in 1955 to 39 in 1956.

Mr. Shapiro, understandably, cannot help but be caught up by the thrill of all these excitingly magnificent achievements. But one feels that, for a properly balanced view, rather too much of this book came from research at the desk, with tables of statistics piled high in front, and not enough from experiences out in the fields or on the factory floor.

G.B.

Turkestan Alive by BASIL DAVIDSON (*Jonathan Cape, 25s.*)

The professional collectors of anti-Chinese material will, no doubt, reject Mr. Davidson's account of his journey through Sinkiang. For he has only written about what he saw and experienced. He seems to have ignored the general acclaim his book could achieve all over the West had he laid more stress on some real or imagined shortcomings. This will surely lay him open to accusations of partiality. But anyone who has followed Mr. Davidson's footsteps can only admire his gift of detailed observation, respect the trouble he took in collecting his material and confirm the veracity of his report. In fact, Mr. Davidson has written a book of great value by giving an honest picture of not only the romantic background of that part of Central Asia, but by managing to convey the all-important, dramatic changes which are rapidly drawing this formerly isolated area within

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the everyday life of the rest of China. How this is done, without disturbing the national aspirations of the indigenous Uighurs, Kazakhs, Huis, Kirghizes, Mongols and other minorities, is well told in this competently written book.

It is not easy to describe the situation of a country of that size—the Sinkiang Autonomous Region, with its 600,000 square miles covers one-sixth of the territory of the Chinese People's Republic, or the size of Germany, France and Italy put together—and to do justice to the innumerable factors which contribute in making this multinational region a homogeneous unit. Thus, inevitably, *Turkestan Alive* is, broadly speaking, a travel book with all its usual irritating detail: "That afternoon we slept longer than usual . . ." etc. Who cares? Yet, just by these almost too diligent recordings, the author proves the genuineness of his skilful reportage. Some of the too detailed, insignificant conversations at least serve the point of giving the direct impressions the author received when talking to the people: how they feel, what they think. Their facial expression, the language of their eyes and their gestures are as important as their words, and Mr. Davidson succeeds in giving us a general as well as a human picture of present-day Sinkiang (which makes the pages devoted to the journey through Russia and to the few days in Peking seem superfluous ballast). It must be added that he also unearthed much of the ancient and modern history of the territory, so that his book represents the most up-to-date standard work on that part of China. It is unavoidable that some omissions occur in a report covering such an enormous and complicated subject. Thus, the staggering achievements of the soldiers of the Army of Liberation who turned agriculturists and converted the Manas desert region into fields and gardens, escaped Mr. Davidson's attention. Nor does he write about the Karamai oilfield, but it is likely that the latter's importance emerged only after the author's visit. For developments in Sinkiang, as all over China, are so dynamic that changes challenge the speed of printing machines. But Mr. Davidson's excellent book has certainly an assured place of honour in any future bibliography on Sinkiang.

H.C.T.

Hunza — Lost Kingdom of the Himalayas by JOHN CLARK (Hutchinson, 21s.)

The author, an American geologist, had served during the war on General Stilwell's staff and witnessed the behaviour of the Kuomintang Chinese in Sinkiang during the last war. He is convinced that their ruthlessness and stupidity—actively helped by America—contributed to make

the area go Communist a few years later. He had also been impressed by the effective methods the Russians had employed at the time they thought of colonising Chinese Turkestan. The Russians, he observed, had dealt directly with the people, never through corrupt governments; they had started small-scale industries to achieve quick economic improvements, and had provided free education and medical help. It occurred to Mr. Clark that if this Russian system could be employed by Americans, they could not only win the friendship of non-Communist Asian peoples, but "might drive Communism out of existence." However naive this political justification, Mr. Clark's humanitarianism and sense of adventure were strong enough to raise some modest funds and to start his mission alone. His target was the isolated principality of Hunza, tucked away amongst the high Himalayan valleys of northernmost Pakistan.

The book is a straightforward account of the author's experiences: achievements and difficulties, neither of which were insignificant. He provided medical help to over 5,000 patients and stimulated the creation of home industry. He established a school for carpentry, but too much educational activity aroused the suspicion of Pakistani officials who thought that it might lead to Communist troubles! Thus Mr. Clark's sojourn came to a somewhat premature end, which was further precipitated by a misunderstanding with the Mir of Hunza. The author's mission apart, his book provides valuable material on a country and people about which little has been written. Whether the Hunzas have learnt anything from this brief interlude, or the Pakistan Government, or even Mr. Clark himself, remains a mystery lingering in the purified air of the high Himalayas.

H.C.T.

Japan's Economic Recovery by G. C. ALLEN (Oxford University Press, 25s.)

JAPAN, a small country poor in natural resources and with a dense population, can exist only by exporting her skill. Her past incursion into Manchuria had this economic background—this search for markets and raw materials.

It is not surprising, therefore, that a long and destructive war left her economy in ruins. The occupying force—in effect the Americans—smarting under the treachery of Pearl Harbour, was determined that Japan's war potential should be neutralised. Policy was directed to restricting the capacity of capital undertakings, even the speed of ships, while reforms were made in the social and fiscal systems to diffuse wealth and to dissolve the wealthy and powerful personal industrial empires.

But by 1949 a danger greater than that of Japan began to loom ahead in American eyes—that of Communism. It had become evident that Nationalist China would not be able to reconquer the mainland and to establish there a system of government favourable to the West. Relations between Russia and the West were deteriorating seriously, and the danger of a Communist advance seemed pressing. America was accordingly compelled to abandon her policy in Japan and to concern itself with the country's economic recovery in order to create a bastion against the new danger.

The new policy was well under way when the Korean War broke out in June, 1950. War orders poured into Japanese industries, giving the country a large dollar income. This war confirmed America's worst fears of the advance of Communism. Japan was really an essential base for the

development of American power. Between 1952 and 1956 Japan received payments amounting to \$3,380 million, chiefly in respect of American military establishments. This aid helped Japan to weather the end of the Korean war boom: by 1955 all sectors of the community were growing rapidly, including the export trade. It is this process of recovery that is described in considerable detail in Mr. Allen's book.

Japan, however, has not been able to solve the problem of over-population that has always bedevilled her development. In an area roughly that of the British Isles, her population in 1956 was 90 million (it had been 20 million in 1920). The annual addition to her labour force is now running at over 700,000, which is too large a number to be absorbed in her large-scale industries: most of the increase goes into agriculture or forestry, where productivity is low. If the high productivity industries are to expand sufficiently to employ the increasing population, much capital will be required. As incomes are low in Japan, investment from abroad seems indispensable, but this amounted to only £85 million in July, 1956 (including a £19 million loan from the World Bank for an iron and steel works).

On the other hand, recovery has not been burdened with the expense of armaments, while the servicing of the foreign debt has been much reduced. These two items accounted for

over 60 percent of total government expenditure in 1934 and only 17½ percent in 1955. But this saving was largely offset by grants to local authorities and by welfare measures, which took over 50 percent of total expenditure in 1955 (as against 17 percent in 1934).

The reversal of policy dictated by these pressing military and social problems involved the reconstruction of the monetary (specially the structure of interest rates) and banking systems.

An integral part of the new policy consisted in allowing the return of the *Zaibatsu*, or the great commercial princes—Mitsui, Sumitomo, Yasuda, Mitsubishi and others—in whose hands economic control was concentrated. The reason for their resurgence was the same as that for their creation in the old days—the fact that investment capital and entrepreneurial capacity were scarce. This aspect of the socio-economic scene is well described by the author. Indeed, Mr. Allen is well worth listening to on everything that he says on the Far East.

Japan's recovery has been remarkable, but she is still balancing on the tightrope of over-population and of the ever-increasing need to export—hence her bid for as much of the China trade as she can capture.¹

L. DELGADO

¹ See EASTERN WORLD, April 1958, p.39.

JAPAN COMES TO AMERICA

By Joachim O. Ronall (New York)

RECENTLY, a widely read national magazine in the United States carried an article on Japanese gardens. The article was illustrated by beautiful photographs. Many readers wrote to the editor expressing their appreciation of the contribution. One wrote:—"I was swept with sentimentality when I saw the . . . garden . . ."

It may be difficult to determine exactly how many Americans are likely to react so emotionally to things Japanese. However, the fact remains that Japanese influence has made inroads into the middle and high class way of life in the United States. Since the first contacts made by Commodore Perry in 1853, there have always been certain inclinations to make use of Japanese accomplishments, on the west coast of the United States. Californian architecture, for instance, and its development of bungalows has a distinct Japanese accent. The Japanese influence in the United States has not reached the dimensions of the modifications of life brought to Rome by the Greeks after their defeat by the Romans in the second century BC. But even a casual survey of the areas likely to be affected shows that the response of the American public to the offerings of Japan represent substantial business.

The number of Japanese shops in New York is on the increase. They sell everything, from rice crackers to jade. Of all Asian countries, it is Japan that at present exerts the most effective influence on American taste. American artists, designers and architects, together with a considerable number of American soldiers, are responsible for eliciting and stimulating this attention. Americans are borrowing not only decorative ideas, such as the *shoji* (sliding doors) and lantern-like fixtures, from Japan. An American designer who had studied Japanese methods, recently published the details

of a home he built for himself, adopting the low-cost building techniques of the Japanese. The home combines the conveniences of American floor-plans and plumbing with the advantages of Japanese building methods and design. The house—1,280 square feet of space on the main floor and 620 square feet in a basement on a lower floor—cost \$17,250 to build. This included all plumbing, heating, furniture and equipment, except the refrigerator and a stove. A few years ago, The Museum of Modern Art in New York exhibited a Japanese house in its courtyard, complete with fittings and fixtures. It was viewed for months by thousands. Its architect, Mr. Junzo Yoshimura, became one of the busiest designers in the New York area. He had several write-ups in the *New Yorker*, the leading high-brow magazine, which added to his popularity. One of his outstanding achievements is the "Motel on the Mountain," not far from New York City on the new New York State Throughway, where charm and originality of a traditional Japanese inn are combined with the latest comforts of American "motelry." Other Japanese designers have been commissioned to furnish modern industrial installations in other areas.

New York's Flower Show, the horticultural event of the year, exhibited an abundance of Japanese ideas. *Ikebana* (flower arrangement) has become a passion with many ladies.

The products of Japanese craftsmanship are available all over the United States:—Sake sets, Happi coats, Zori-sandals and tabi-slipper-socks, kimonos, mats and fans and the endless range of lacquerware and bamboo products, calligraphic scrolls and ornamental hairpins—the latter all of a sudden coming to the fore as the result of Miss Miko

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Taka's hair-do, the leading lady in Marlon Brando's film "Sayonara." Coolie hats and brocade dresses are going strong, so are fans. But the manager of a distinguished Japanese art shop on Park Avenue, established in 1898, commented with an undertone of regret that the average level of Japanese products in the United States had become cheaper than it was before. He recalled his best years as being those between 1920 and 1928. His reasons for the decline sound convincing:—Gone are the collectors with large house and low income tax. Once, his company sold a bronze Buddha to the Metropolitan Museum of Art for 200,000 dollars. The Takashimaya Department Store, one of Tokyo's leading undertakings, has plans, according to the press, to open a branch in New York, probably on Fifth Avenue, to feature Japanese clothing, lacquerware, bamboo products, dolls, mats, lamps, porcelain and other products. It would be one more among the many important Japanese companies represented in New York City:—banks, steel producers, shipping lines, camera-makers and textile manufacturers.

Japanese films have had remarkable success in the United States. It began with "Rashamon," some years ago, which at first went unnoticed in Japan itself until it was acclaimed abroad. Its success opened a substantial new export market. "Gates of Hell," "The Seven Samurai," "Ugetsu," "The Forty Ronin," "Tempress," "Untamed Woman," "Story of Chiakamatsu" and "The Lighthouse" are only a few of the long series of successfully exported products of the Japanese film industry. The most impressive features of these Japanese films are their stunning taste in decoration and their concern for pictorial harmony. In this respect they are truly unique. It might be well for western film producers to gain new aesthetic values from these Japanese films.

During the current season the Metropolitan Opera has produced a new "Madame Butterfly," different from any one staged before in the United States, or anywhere else, for that matter. The settings were designed and assembled in Japan. Some sixty or seventy different costumes were hand-stitched in Japan, so were the Zori, the fans and the other properties. On the Japanese stage, even the smallest gesture has significance. The Metropolitan Opera, therefore, called for a Japanese stage director, Mr. Yoshio Aoyama, together with his assistant, Miss Toeki Suzuki, to instruct the cast in proper stage appearance and gesturing. The fire-fly scene was cut out, for fire-flies do not fly at cherry blossom time . . .

This writer recently attended a concert of contemporary music in New York. One of the pieces performed was

written in Schoenberg's twelve-tone technique by a European composer, now living in New York. At a reception, after the performance, the critics were reluctant to express an opinion, and so were the musicians—until a lady of the writer's acquaintance observed candidly:—"If the composer writes gagaku, he should at least admit it . . ." Gagaku is Japanese court music which originated, more than a thousand years ago, in China, and with which the lady had become familiar in Japan.

Contemporary Japanese literature was little known in the west before the second world war. Only experts showed an interest in it. Even of the classics, the *Tales of the Genji* by Lady Murasaki was perhaps the only prose more widely read. After the war, not only the original story of the successful film "Rashamon" was translated and read by the public at large. In 1946 and 1947, there was little interest in literary production in Japan. People had to devote their energies to the effort of staying alive. A number of left-wing writers who had been imprisoned or exiled, returned and wrote memoirs. Their books, together with the translations of foreign books, made up the larger part of the Japanese booksellers' stocks. Pornographic novels, thrillers and other types of escapist literature came next. The first revival of higher standards came with the wave of war memoirs, not so much by military and political leaders as in the West—most of the Japanese of this category were either dead or in prison—but by the ordinary soldier. These books are now appearing, in increasing quantities, in English translations, some even as "paperbacks."

Shohei Oooka's *Fires on the Plain* is a first-person novel. It is the account of Private Tamura whose unit has been stranded behind the American forces advancing in the Philippines. The author himself was a prisoner of war in the Philippines and describes his experiences with a frightening objectivity. *The Setting Sun* by Ozamu Daizou is the story of the decline of a Japanese aristocratic family after the defeat in World War II, told through the letters and diary entries of a brother and a sister, with strong existentialist undertones. Junichiro Tanazaki's *Some Prefer Nettles*, a pre-war novel which was not translated until after the war, and Yasunari Kawabata's *Snow Country* can be called more "old-fashioned" books. Their plots are not connected with the post-war atmosphere in Japan. Tanazaki gives an intimate picture of a Japanese family torn between the attractions of modern, westernised life and the strong forces of Japanese traditional ways. Kawabata recounts the disappointment of a Geisha falling in love with a man who is emotionally unable to requite love. Junichiro Tanazaki has since published another novel, *The Makioka Sisters*, which is regarded as Japan's most important piece of fiction since the second world war. Again, it is the story of a rich family in decline and the upheaval of the masses, narrated through the marriages of the four daughters of a once powerful merchant family from Osaka. Jiro Osaragi's *Homecoming* has made a particular impact on the discriminating reading public in the United States. It is the story of a man who wandered through Europe, after having been dishonorably discharged from the Navy after a gambling scandal. Early during the war he arrives in Singapore to share Japan's triumphs there. A ruthless Japanese woman, his lover, has him committed to jail in order to protect her smuggling racket. After his release, in 1945, he returns to Japan and reflects upon the war his country lost. It is a sad, bewildering, human story of a time "out of joints."

Economics and Trade

UK-JAPAN TRADE PROSPECTS

BRITISH exports to Japan, valued at £13 million in 1955, more than doubled in 1957 when they rose to almost £28 million. In 1957 the UK achieved for the first time a favourable trade balance with Japan, as imports from there were at an annual rate of approximately £24 million throughout the three-year period. During, and particularly in the first part of that year, Japan's global imports increased considerably and were running on a very high level—her industries executed a large investment programme and stocks of raw materials required by industry were built up. These large scale imports have led to a high unfavourable trade balance and to a serious drain on the country's foreign exchange reserves. Imports had, therefore, to be curtailed. It is significant that during the first quarter of 1958 Japan's exports to Great Britain amounted to £8.5 million, while UK exports to Japan dropped to £4.6 million compared with £9.9 million during the corresponding period of 1957. Thus, during the first quarter of 1958 Japan had a favourable trade balance with Britain of nearly £4 million.

What are the prospects of UK-Japan trade in the near future? The recently concluded trade agreement for the year ending 31 March 1959 shows only a few changes in the trade quotas of the previous agreements (covering the period between 1 October 1956 and 30 September 1957, later extended with minor changes to 31 March 1958), but most of the trade between the two countries takes place outside the quota arrangements. The Japanese authorities are said to envisage a balanced trade between the two countries, and conservative estimates expect the trade to be at an annual rate of £25 million each way.

On the other hand, some well-informed businessmen express a more optimistic view on the possibilities of further developing Anglo-Japanese trade. They believe that the improvement of Japan's overall foreign trade position during the last few weeks and the running down of accumulated stocks of raw materials, create a good chance for her resuming large scale imports by the end of this summer or early in the autumn. These circles envisage an exchange of goods at



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an annual rate of at least £30 million each way. But to achieve exports on this scale to Japan, UK manufacturers will have to meet a strong competition from other western countries. It will be necessary for them to embark on a more active sales policy towards Japan, including market research, sales promotion, larger participation in Japanese fairs, etc. First of all, many UK manufacturers would have to change their attitude of regarding Japan only as a competitor.

In the field of economic cooperation with leading Japanese firms there is great scope for British firms of progressive industries. The UK share in agreements signed by Japanese firms with western firms on technical "know-how" is still very small. There are many opportunities of concluding agreements with reputable Japanese manufacturers on production under licence in Japan. In addition to earning royalties, in some cases this also promotes exports of required components (at least during the first part of the agreement). On the whole such arrangements have worked very smoothly and the transfer of royalties (derived from agreements approved by the Japanese authorities) has been carried out according to contract.

It would be a greater inducement for western firms to sign such agreements, however, if the Japanese authorities would be prepared to extend their length as after their expiration, only the Japanese partners and the Japanese national economy reap the benefits of this cooperation. The Japanese maintain that a great deal depends on the individual western partner too. Western firms which have improved their own production technique and the models of their products during the period of the licensing contract have a good chance of securing the Japanese approval for a follow-up agreement.

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JAPAN'S SHIPBUILDING INDUSTRY

IN 1956 and 1957 Japan has been leading the world in shipbuilding output. The tonnage launched in 1957 amounted to over 2.4 million tons gross, representing an increase of 686,077 tons as against 1956.

The 1957 output included 106 oil tankers, amongst them "Universe Commander," "Universe Challenger" and "Universe Admiral." These vessels, together with their sister ship "Universe Leader" (51,400 tons gross and 85,515 deadweight) which was launched in 1956, are the four largest cargo ships ever built. The following table shows the development of Japanese shipbuilding industry in 1957 and the first quarter of 1958:

	Commenced	Launched	Completed
First Quarter 1957	542,705	586,545	481,172
Second Quarter	633,530	502,873	600,293
Third Quarter	628,985	635,649	628,462
Fourth Quarter	713,820	699,366	599,348
First Quarter 1958	410,085	588,371	538,712

(all figures in tons gross)

For the first time since 1954 a decrease in Japanese shipbuilding was registered during the first quarter of 1958. According to Lloyd's Register of Shipping the total of merchant ships under construction in Japan was 163 ships of 1,457,791 tons gross by the end of March 1958, as against 161 ships of 1,589,280 tons by the end of December 1957.

Of the 163 ships under construction there were 51 tankers of 798,700 tons gross (including 23 tankers of 127,810 tons for registration in Japan, 2 of 25,500 tons for Denmark, 16 of 407,250 for Liberia, 1 of 20,700 for Holland, and 9 of 217,440 tons for Panama).

The other 112 ships of 659,091 tons gross under construction included 89 ships of 437,501 tons for registration in Japan, 2 ships of 740 tons for Korea, 2 of 16,900 for Formosa, 10 of 125,400 for Liberia, 4 of 71,200 for Panama, and 5 of 7,350 tons gross for the Philippines. Taking into consideration the world-wide depression in shipping, the Japanese Heavy Machinery export Council's shipping division fixed in April the goal for foreign orders at 0.5 million tons gross for the 1958 fiscal year. This figure represents only one-half of the orders which were accepted by Japanese shipbuilding yards during the year which ended in March. The 0.5 million tons goal is based on the requirements of the Japanese shipbuilding industry. It appears, however, that to secure orders at an annual rate of 500,000 tons will be not an easy task and that special measures would have to be taken to reach this goal.

CANNED GOODS From JAPAN

THE quota for British imports of canned salmon from Japan has been fixed at £6 million for 1958-59, which represents an increase of £1 million over the previous year. This increase is one of the major changes brought about by the recently concluded Anglo-Japanese trade agreement. From the Japanese point of view this augmented quota is of great importance as Britain has been traditionally the best market for Japanese canned salmon. In addition, Britain is a major buyer of Japanese *taraba* (codfish ground) crab, and also imports canned "hairy" crab and canned tuna.

UK total imports of canned fish from Japan developed as follows: 1955—£1.1 million; 1956—£7.8 million; 1957—£6.8

million. During the first quarter of 1958 these imports reached the value of £3.7 million as against £1.2 million during the corresponding period of 1957.

Japan's overall exports of canned fish, while showing a considerable increase during the last few years, have experienced large fluctuations. The following table shows the main markets:

	1956	1957
(first nine months of the year)		
Total exports	22.1	20.8
including to the US	7.4	8.8
UK	6.0	4.4
Canada	1.8	0.4
Belgium	0.9	0.7
Philippines	0.6	1.0

(all figures in million £)

The United States were the main market for Japan's tuna fish (whereby a certain part of the exports consisted in canned form and the rest in frozen fish and canned in US canneries) and have also been a major market for Japan's canned crab exports.

Japanese attempts to develop other markets, including those in Europe, for their canned goods are showing good results. Exports to West Germany reached nearly 3,000 tons of canned fish last year. Switzerland took canned fish to the value of over £0.6 million as well as herrings for £60,000 and canned fruit also for £60,000 in 1957. Japan's drive to develop her trade with countries of East Europe (a potentially important step in the diversification of her trade) may create additional outlets for her canned industry. The recently concluded trade agreement with Poland provides specifically for Japanese exports of canned goods. Britain was the main market of Japanese canned mandarine-oranges. According to Japanese statistics, out of the total exports of these goods amounting to the value of £4.8 million during the first 9 months of 1957, the UK share was £3.2 million, and that of the US £0.8 million. According to UK statistics, the imports of fruits and vegetables from Japan was £4.2 million in 1955, £5.7 in 1956 and £4.0 in 1957. During the first quarter of 1958 these imports reached the value of £1.4 million. The imports of canned mandarine-oranges are carried out on the basis of open individual licences, while the quotas for other canned fruit have been increased from £85,000 to £170,000 by the new Anglo-Japanese trade agreement.

WESTERN EUROPEAN TRADE WITH JAPAN

West Germany's exports reached the value of DM468.7 million in 1957 as against DM259.4 million in 1956. Her imports from Japan increased from DM119.8 million in 1956 to DM228.3 million in 1957.

French exports to Japan rose from 5,995 million francs in 1956 to 8,115 million francs in 1957, and imports from Japan increased from 4,114 million in 1956 to 6,301 million francs in 1957.

Holland's exports to Japan grew from 38.6 million guilders in 1956 to 54 million guilders in 1957, and imports from 69.4 million guilders in 1956 to 99.4 million guilders in 1957.

Belgo-Luxembourg exports increased from 1,047.8 million francs in 1956 to 1,290.8 million in 1957. Imports from Japan were 677.3 million in 1956, and 910.4 million Belgian francs in 1957.

Italian exports to Japan fell from 6,318 million lire in 1956 to 4,046 million lire in 1957, but Italian imports from Japan rose from 5,942 million in 1956 to 8,047 million lire in 1957.

Switzerland's exports to Japan swelled from 67.8 million Sw.francs in 1956 to 93.4 million in 1957, while her imports from Japan increased from 49.1 million to 73.6 million during the same period.

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FROM RICE TO BREAD

By a Tokyo Correspondent

Rice-eating Japan is now consuming more and more bread. Year by year statistics record, in fact, a 30 percent increase in wheat flour consumption, and, since the twin Japanese Government Ministries of Welfare and Agriculture-Forestry have backed a diet improvement programme through greater utilisation of wheat, a fierce rivalry to supply Japan has ensued in several foreign nations.

The United States, whose Pacific North-West area grows soft white wheat, is ahead by far, just as is Canada in the hard red winter wheat category. Last year's Japan-Australia trade agreement sought to provide Australia a chance to bolster its soft wheat imports to Japan but the country simply could not produce the wheat it had gained the right to ship out. Argentina is a bad fourth as a Japan supplier.

The current food trend has prompted one Japanese dietetic expert to predict that by 1985, 70 percent of his fellow countrymen will enjoy munching bread, the staff of life, or some of the other wheat foods now available to Japan in the form of dry and wet noodles, cakes and cookies, biscuits and crackers, and macaroni.

But despite Government backing of wheat and the mushrooming of such societies as the Japan Food-Life Improvement Association, the Bread-Eating Sponsorship Group, the Japan Dry Noodle Society, and the Japan Housewives Federation for Utilising Wheat Products for Better Health and Diet, the fact still is this: the rice bowl is by no means on the way out.

Rurally, but three percent of the people — and 45 percent of Japanese live as farmers, and rurally — eat some form of

wheat each day. Wheat has its principal hold on the cities, or the urban population. Here, Japanese substitute a slice or two of bread for the breakfast bowl or two of rice, and often take noodles or toast with them to the plant or office for lunch.

The rice bowl is reserved for the evening meal, but here too — especially for eating out — macaroni presents a tableside threat.

At railway stations in many parts of Japan, this correspondent has heard the hawkers cry out, "pan, cishii pan" (bread, delicious bread). *Pan* is the Japanese word from a Portuguese beginning; it was brought to Japan in the mid-16th Century by missionaries, quite probably including St. Francis Xavier.

With Japanese bean-paste rolls are a favourite, and these too the food-butchers vend at train stations. The real favourite is called "um-pan," *pan* again being the word for bread, *um* for bean jam.

But the growing popularity of bread dates primarily from the post-war US occupation period. American authorities then came face to face not just with war's-end short-term starvation menace, but with the long-range problem of finding enough homegrown rice for a constantly expanding population, a nation where prewar, even rice-growing farmers could not afford to eat their own rice.

The answer in the MacArthurian days seemed to be more wheat and less rice, particularly since at its disposal the US had large surplus stocks of wheat.

Today, Japan must still — despite the aura of postwar prosperity — import 20 percent of its foodstuffs. And, despite three bumper rice crops successively in the 1955, 1956 and 1957 harvests, there is still not enough rice to go round. Rice is, in fact, the sole foodstuff still rationed and housewives queue up for the grain today as they did for everything else, 10, 12 years ago.

Rice is a political weapon in this country. Cabinets can and have risen and fallen on the price structure, on the supply and demand of the key grain.

And with Japan's demographic curve pointing to a population of 100 million by 1980, something quite evidently must be done.

Right after the Pacific War, the United States also shipped corn to help feed its near-starving ex-enemy. But the hungry Japanese, long accustomed to look on corn as fit food for pigs alone, scorned this grain. Moreover, many Japanese believed the rumour, spread by the Communist Party covertly, that corn-eating brought on human sterility. The left-wing elements even preached, though in enforced secrecy, that the US was fostering corn as a means of exterminating the Japanese race.

Wheat consumption has fared far better and is just now coming into its own, with a terrific promotion campaign being conducted by Government officials and private firm representatives alike here.

Two major obstacles still hurt its growth: the first is that bread prices are still too high for most Japanese. A large loaf costs the equivalent of 27 cents, while enough rice to feed an average family (four and a half to five people), can be bought for about 19 cents, official, and 21 cents on the thriving rice blackmarket.

Japanese do not like the taste of bread alone and the cost of using butter or margarine, jam or jelly, etc. makes the price of bread higher. Toasting requires an electrical appliance and that too sends the real price of bread still higher.

And the second obstacle to the growth of bread as a staple to displace rice is contained in one single word. The word, habit.

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Anglo-Chinese Trade

LEADING British industrialists have renewed their demands for the abolition, or at least far-reaching revision, of the embargo restrictions on exports to Communist countries. Sir Greville S. Maginnes, Chairman of the Churchill Machine Tool Co. Ltd., declared in his capacity as the President of Russo-British Chamber of Commerce at the April meeting of this body, that he had recently informed the President of the Board of Trade that British members of the chamber considered the time now opportune for the complete abolition of the embargo list, leaving the export of warlike goods to be embargoed by the existing licensing procedure. He urged HM Government to present that view to the other members of the Paris Coordinating Committee.

At the recent annual meeting of the Machine Tool Trades' Association, its President, Mr. J. C. Robinson, referred to Mr. Erroll's visit to China last year, and described China as a country to which "we look forward to supplying many of the machine tools she will inevitably require for her industrial expansion." He added, "our desire is to see all unnecessary restrictions on the potential trade removed."

Sir Lionel Kearns, past-president of this Association, referred to the fact that various types of machine tools which are on the Embargo List are being manufactured in the Communist countries and that the competition from several East European countries in the export market might well have been fostered by the embargo.

While UK trade with China shows a steady increase, there is no doubt that the trend would have been accelerated had these artificial restrictions been removed.

	UK Imports	UK Exports
1955	...	12.3
1956	...	12.5
1957	...	14.2
1957 first quarter	...	3.7
1958 first quarter	...	3.7

(all figures in million £)

While China has a favourable trade balance with Britain, it is the impression of British business circles that so-called "marginal" exports to China could be raised, provided that UK imports from China were to increase simultaneously. A group of representatives of the various Chinese export and import corporations arrived in Britain in April. Some of its members intend to stay in the UK several months, and thus to assist the activities of the Commercial Office of the Chinese Embassy.

The Chinese visitors include representatives of the China

National Animal By-Products Export Corporation: Mr. Tan Ting-tung and Mr. Chu Ang, Mr. Chao Chung-te, Deputy Managing Director. China National Native Produce Export Corporation: Mr. Yu Kuang, Deputy Managing Director, Mr. Chiang Chung-en. China National Foodstuffs Export Corporation: Mr. Sung Jui-chang, Mr. Chao Kuang-li, Mr. Huang Shouchi, Mr. Kao Fa-chun and Miss Chang Kuo-chen. China National Cereals, Oils and Fats Export Corporation: Mr. Chen Ching-wen. China National Silk Corporation: Mr. Yao Chin-ching, Mr. Moo Hung-lin, Mr. Yang Wen-chung and Miss Ku Hsia.

In the field of Chinese imports the group of visitors includes members of the China National Metals Import Corporation: Mr. Wang Hsiang-chu, director, as well as Mr. Wang Hsiao-ta and Mr. Chang Kou-tai, who have been recently working from Berne, Switzerland. China National Instruments Import Corporation: Mr. Wang Te-hsin. China National Transport Machinery Import Corporation: Mr. Sung Tzu-ming.

The Chinese representatives are trying to negotiate long-term sales contracts with British firms, and the UK merchants have shown interest, particularly in some foodstuffs and native produce. Since their arrival in Britain, the Chinese visitors have placed new orders for wool tops, chemicals and metals, but it has been stressed that competition from other West European countries has been very keen.

UK Mechanical Handling Equipment

BRITISH exports of industrial trucks and tractors and mechanical handling equipment show a steady increase: their value went up from £18.5 million in 1955, to £20.7 million in 1956, and to £23.2 million in 1957. This trend continued in 1958 and the exports reached the value of £6.7 million during the first quarter of 1958 compared with £5.7 million during the corresponding period of 1957.

Asian and Pacific markets accounted for a considerable share of these exports, and India has been the largest customer of this industry. The exports to India were valued at £1.5 million in 1955, £2.3 million in 1956, and £3.2 million in 1957. During the first quarter of 1958 the exports to India amounted to £1,053,455 as against £879,517 during the corresponding period of 1957.

During the first quarter of 1958, British machine tool exports to some other countries of that region were: Pakistan, £92,519; Malaya, £274,418; Singapore, £31,749; New Zealand, £532,333; and Australia, £258,681.

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CHINA'S IRRIGATION EFFORT

By Huang Lung (Peking)

After the good harvest of last year was gathered in, farmers in China began building irrigation works on a scale never known before in all history. From the end of last October to the end of March of this year, they dug ditches, canals, reservoirs, water detention basins and other facilities enough to water more than 45 million acres of land. This is an area much larger than the total irrigated acreage of the United States, and nearly equals the whole area of England and Wales. It brings the irrigated area of the country up to 132 million acres.

China's irrigated area was already one of the world's largest before liberation, but compared with the total cultivated land, it only amounted to a little more than 12 percent in 1949. Since then it has grown at a phenomenal rate. From 40 million acres in that year it shot up to 87 million acres in 1957. This has been a major factor in the continuous rise in the nation's output of food crops, which reached 185 million tons last year as against 108 million tons in 1949. Now the work done in the past few months alone is not far short of the total irrigated area added from 1949 to 1957. And an 11 million ton increase in food crops is planned for the current year.

Chinese farmers have in this way been turning to good use the winter months which, in the old days, formed a season of slackness and under-employment. At the beginning 30 million farmers, it is estimated, joined in the task of building of irrigation works. By January the number had grown to 100 million. By March 31 they had put more land under irrigation than their forebears had done in the 4,000 years before liberation. The irrigated acreage is still expanding at the rate of half a million acres a day. How did this "miracle" take place?

During February, I toured Anhwei to find the answer. In a few months the farmers in this province had excavated 3,830 million cubic yards of earth—16 times as much earth and rock as was shifted by the builders of the Panama Canal in a decade. Using shovels and picks as their weapons, millions of farmers are transforming this upper Huai River valley, notorious for its floods and famines throughout the ages, into a land of plenty. Giant mounds of freshly dug up earth lend some variety to the otherwise monotonous landscape, flat as a billiard table. Wherever one drove the mounds were there.

The aim of the farmers in all this work is clear and simple. It is to treble or quadruple their farm output. They are turning this region, which has till now grown only one wheat crop a year, into a double crop area, that is, to make it yield also an annual rice crop.

The north Anhwei plain on the northern bank of the Huai River, occupying an area the size of Holland, was once, long ago, one of the most fertile regions of China. But after the Yellow River disastrously switched its course south in the 12th century and poured its turbid waters into the Huai River, it was ravaged by floods. The lower Huai River became silted up, causing constant floods along the upper Huai River and many of its tributaries that cross the plains.

Before liberation, the most that could be wrested from the land before the annual season of monsoons and the floods that

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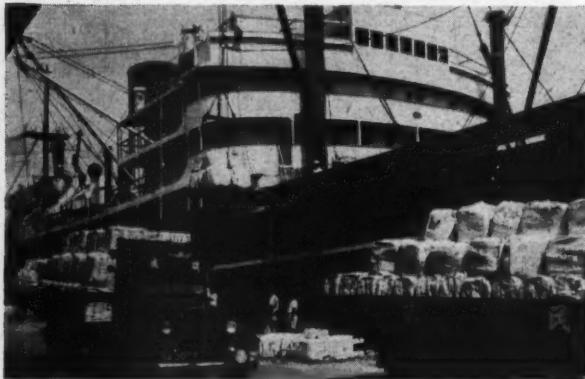
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followed, which regularly turned large areas into an inland sea, was one wheat crop a year. Since 1949, and before the present great effort, the series of reservoirs, detention basins and the networks of dykes built along the Huai and its tributaries made it possible to contain even the biggest flow along the rivers. With flooding no longer a menace, more summer crops were grown and, last year, this region, comprising only one-third of the whole Anhwei Province, gathered in 4.3 million tons of food crops, which was almost as much as the whole province harvested in 1949.

But the danger of waterlogging in the rainy seasons remained over parts of the plain. Low-lying land would be submerged to a depth of a few feet for days on end, killing all dryfield crops like maize and beans. The answer to the waterlogging has now been found—in the growing of rice—for rice thrives in water. And the work in the past few months is making this extra rice crop a practical possibility.

The physical appearance of this flat plain is being remodelled to the pattern of the Pearl River Delta in South China and the lower Yangtze valley where canals, ponds and dykes predominate. But ponds, canals and ditches are also being built on the higher parts in hundreds of thousands for these will store the generous rain water for paddy cultivation, at the same time preventing it from running off to swamp the lower parts. So a scourge is being transformed into an asset.

Mammoth dykes called *weirs*, a term borrowed from the Cantonese in the south, have been thrown up around large tracts of farmland in the lower parts to prevent inundation by the rainwater coming down from the uplands. These *weirs* are ringed by canals and the canals are linked with the nearby rivers. The canals both store the water for rice growing and provide drainage during the season of heavy, continuous downpour. Within the *weirs* ponds and ditches are dug to retain the rainwater that falls directly inside their bounds.

Soon the rice will be grown on the land where the irrigation works have been built. It will be north Anhwei's first really big rice crop in its long history. One million acres, or nearly one-seventh of the cropland in the north Anhwei plain, will be sown to paddy this summer. This will not reduce the wheat crop, of course, as the rice is sown after the wheat is harvested; and the wheat harvest, too, will be bigger as the newly provided water facilities counter the drought which plagues the wheat fields in the spring.

In the central and southern parts of Anhwei where the land is hilly and irrigation facilities well developed, the new reservoirs, diversion dams and wells that are being built, will make available water for enlarging the double-cropping rice area by more than a half a million acres this summer.

In all, Anhwei farmers built 2.4 million canals, reservoirs and other water-control projects by mid-March this year. They have extended the province's irrigated area by about two million acres, improved the irrigation facilities over another 2.5 million acres and freed a similar area from waterlogging. This work, along with the more extensive application of manure and other fertilisers, is expected to add another two million tons of grain crops to Anhwei's food output this year alone.

At the peak, altogether more than 11 million villagers were daily engaged in the building of irrigation works. The non-farming population also helped. One big problem was finding tools for so many people. Farmers brought out old worn-out tools which the cooperative farm smiths forged into new ones, and I saw shovels being made out of the mudguards of old American military trucks. It was with these simple tools that earth and rock were chipped away bit by bit, but at a terrific speed, because the farmers were so numerous and their enthusiasm boundless.

Anhwei's average grain yield per acre in recent years has been a little over 1,800 lbs., while the programme sets a target of 3,300 lbs. for north Anhwei and more than 5,300 lbs. for the south. Now, by improving the irrigation facilities, the farmers are out to exceed these levels.

SWISS ECONOMY AND ASIA

IN 1957 the three outstanding factors of Switzerland's trade with Asian countries were: 1) A further big rise of Swiss exports to China. Despite the decrease of her imports from that country, China is now by far the biggest Asian trading partner of Switzerland. 2) A considerable improvement of Swiss trade with Japan in the export and import fields. 3) A small increase of Switzerland's exports to India, despite the stringent financial position of that country and the imposed import restrictions by the Indian authorities.

Switzerland had a very high favourable trade balance with countries of that region, with the exception of Ceylon Malaya and the Philippines. While the imports from Asia and the Pacific accounted for 3.9 percent of Switzerland's global imports, the share of Asia in Swiss global exports amounted to 10.84 percent and that of Australia and other Pacific countries to 1.63 percent in 1957. Taking into consideration that Switzerland's 1957 overall trade had an unfavourable trade deficit of 1,733 million Swiss francs (imports—8,447 million against exports—6,714 million Sw. francs), the favourable trade balance of 450 million Sw. francs with countries of Asia and a favourable trade balance of 62

million Swiss francs with countries of the Pacific, clearly demonstrates the importance of this region for the Swiss national economy.

The largest part of the country's overall trade deficit was covered by the Swiss tourist industry and returns from other invisible items of revenue (see Annual Report 1957 issued by Swiss Banking Corporation). Agreements concluded by Swiss firms with Asian Governments and firms have contributed to this type of revenue. There are a number of outstanding examples of Swiss-Asian economic collaboration. The large railway coach factory at Perambur has been established in cooperation between the Indian Government and the Swiss Car and Elevator Manufacturing Corporation, Schlieren-Zurich. A number of products of the Oerlikon Machine Tool Works, Buehrle & Co., Zurich, as well as of the electrode division of this Company are being manufactured under licence in various countries of Asia. Dr. P. Schmidheiny, President of Escher Wyss A.G., referred in his 1957 survey to orders executed together with a Japanese firm which builds thermal installations under licence of his Zurich company.



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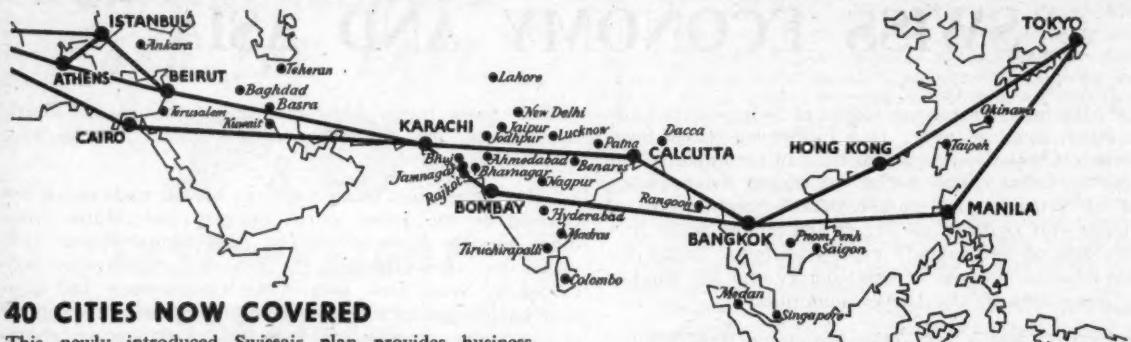
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Swiss chemical firms, too, have signed agreements on the manufacturing of their products under licence in various Asian countries, and in some cases have established affiliated companies. The 1957 annual report of Sandoz Ltd., Basle, refers to the fact that their Indian affiliated company Sandoz Products Private Ltd. has started the first stage of its build-

ing programme in Kolshet (near Bombay), and that these installations will be used for the production of basic pharmaceuticals and chemicals as well as for mixing and standardising colours.

There is still great scope for many other Swiss firms to embark on similar activities, but in some cases the fear for the safety of the capital to be invested and the shortage of skilled personnel which is to be sent in connection with such agreements to foreign countries (particularly at a time when there is a great shortage of skilled labour in Switzerland) are serious obstacles to the conclusion of a number of agreements. Despite repeated statements by leaders of Swiss banking and industry on the shortage of capital in Switzerland (mainly due to large investment programmes within Switzerland) the reluctance of Swiss capital to invest in Asia and to grant long-term credits for Swiss industrial equipment deliveries is often criticised by prominent Asians. And they express the hope that the increased trading activities between Switzerland and their countries will also assist the trend of growing activities in other fields of economic cooperation.

Swiss trade with countries of Asia and the Pacific developed as follows:

	Imports			Exports		
	1955	1956	1957	1955	1956	1957
India	23.5	21.5	25.9	109.5	146.3	148.4
Pakistan	2.8	3.0	4.5	14.8	14.1	14.0
Ceylon	13.9	15.0	14.1	8.4	9.4	9.8
Singapore	1.0	2.0	1.4	39.3	47.5	55.9
Malaya	14.6	20.8	19.5	2.8	4.0	4.5
Burma	0.4	0.1	0.1	6.2	4.9	5.9
Thailand	0.7	0.7	1.2	18.9	23.0	22.2
Indo-China	0.1	0.1	0.3	6.4	5.2	4.6
Indonesia and Dutch New Guinea	18.3	17.8	18.7	19.6	29.7	25.2
Philippines	21.8	19.6	19.7	11.2	12.2	12.7
China and Hong Kong	67.8	81.9	53.9	101.9	151.8	186.4
Japan	39.0	49.1	73.6	58.4	67.8	93.4
Korea	—	0.8	—	2.4	3.4	4.6
Australia	20.9	23.9	36.7	104.9	87.0	85.9
New Zealand	6.6	7.0	3.7	17.0	17.6	21.0

(All figures in million Swiss francs)

West Germany's trade with China and Hong Kong

West Germany's exports to China increased from DM155.8 million in 1956 to DM199.7 million in 1957 and her exports to Hong Kong grew from DM84.8 million in 1956 to DM114.6 million in 1957.

West German imports from China show a decrease from DM222.9 million in 1956 to DM172 million in 1957, while the imports from Hong Kong increased from DM17.3 million to DM21.4 million during the same period.

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SWISS EXPORTS TO ASIA

SWITZERLAND'S increased exports to Asia and the recognition of the high potential of these markets, together with reduced incoming orders from the US and some other countries, have increased the interest in trade with Asian countries among Swiss businessmen. At the same time, Asian buyers, in connection with bigger supplies from Switzerland, were interested in seeing the new products exhibited at the 1958 Swiss Industries Fair which was held at Basle in April. The Pakistan Ambassador and many diplomatic representatives of Asian countries in Berne visited the Fair. In addition to individual Asian businessmen, a 13-member delegation of the "European Management Kyushu Study Team" of the Japan Productivity Centre, Tokyo, headed by Shin Katsuta, President of the Kagoshima Bank, came to the Fair. For the second year a delegation of the Chinese Committee for the Promotion of International Trade visited the Fair. This year it was a 9-member delegation, headed by Liu Huan and accompanied by Kao Shang-lin, the Commercial Attaché of the Chinese Embassy in Berne.

There is great interest among the Swiss industrialists in developing trade with China, and it is significant that at the forthcoming Fair in Lausanne in September the foreign pavilion will be occupied by the People's Republic of China. While Switzerland is not a member of the COCOM-CHINCOM organ-

isations, Swiss authorities adhere to the restrictions imposed by these bodies on exports to Communist countries. Swiss businessmen mention privately that they consider the "embargo" as nonsensical and harmful to the Swiss economy and express the hope that a far reaching liberalisation of trade with China and East European countries will be decided upon during the present session in Paris.

This year's Basle Fair was again a great success, and there were many exhibits of great interest for Asian markets. The Swiss watch industry, which occupied a prominent place at the Fair, finds an important outlet for its products in Asia and the Far East. In 1957 more than 3.4 million watches valued at over 120 million Swiss francs were exported to China and Hong Kong as against 3.1 million watches to the value of over 100 million francs in 1956. The exports to Singapore increased from 1,234,606 watches in 1956 to 1,375,339 in 1957. There were also increases in exports of watches to Ceylon, Pakistan and Korea. Due to import restrictions the exports to India decreased from 1,210,749 in 1956 to 800,843 watches in 1957.

In connection with the industrialisation of Asian countries the exhibits of the Swiss machine tool industry were of great interest (the last two years the space allocated to this industry was occupied by the textile machinery industry). Swiss machine tool exports in 1957 included deliveries to India—over 5.1 million



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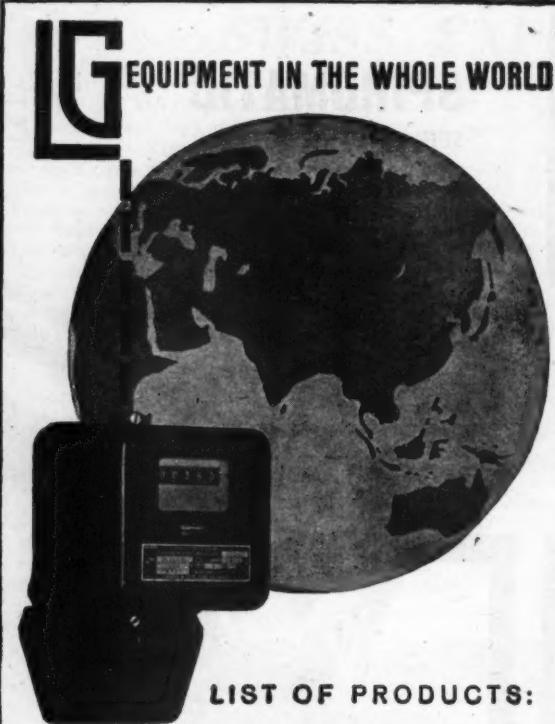
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Swiss francs; to China—over 3.5 million Swiss francs; and to Japan—over 25.5 million Swiss francs. Many new models, including automatic machine tools, were on show, and the Oerlikon Machine Tool Works, Buehrle & Co., Oerlikon-Zurich, a Company which is very active in Asian and Far Eastern markets, exhibited a large range of its products, including coordinate jig drilling machines with automatic programming, high-speed lathes, special grinding machines and others. The Electrode Division of this firm exhibited various types of welding electrodes. Swiss Industrial Company, Neuhausen Rhine Falls, exhibited various types of machine tools, including a copying turret lathe, while automatic wrapping machines for biscuits and other articles were shown by the Wrapping Machines Dept. of this Company.

This Company owns a large rolling stock factory and has just executed a big order for the Indian railways in conjunction with other Swiss firms. Ateliers de Secheron S.A., Geneva, which participated in this order, are a leading Swiss manufacturing firm of electrical traction-motors, transformers, generators and motion as well as of magnetic amplifiers and welding electrodes. This Company is very active in Asian markets. There were interesting exhibits of woodworking machinery at the Fair, including a log band-saw, which was recently bought by the F.A.O. for India.

The increased use of aluminium in industry and building trade makes the Mitre welders for light alloys (the machines can be also used for steel) built by H. A. Schlatter Ltd., Zollikon-Zurich, an interesting proposition in Asian markets. The narrow and easy-to-remove burr, and the barely visible weld after anodizing, has resulted in a growing application of these machines in manufacturing of light alloy window frames, window frames for motor cars, etc.

Due to reduced incoming orders, the delivery times required by most Swiss manufacturers are at present shorter than a year ago, which makes them even more competitive than in the past and at the same time increases the interest of Swiss industry to develop trade with Asian and Far Eastern markets. In fact, the main obstacle for a further and quicker increase of sales to that area are the foreign exchange shortage and the resulting import restrictions imposed by most of the Asian authorities. The 1957 survey of Landis & Gyr A.G., Zug, (manufacturers of a large range of electrical measuring equipment, meters, testing equipment, instrument transformers, time switches, flowmeters, etc.) referred to the large potentialities of the Indian market which however, due to foreign exchange reasons, presented the manufacturers with growing difficulties.

The question of these difficulties can be found in the annual surveys of many leading firms (and is, of course, not confined to Swiss industry alone). The problem which faces Swiss producers and exporters in this respect is a very important one. It remains to be seen whether Swiss manufacturers in cooperation with Swiss banking, could work out a scheme for the granting of long-term credits on deliveries to Asia, and in this way secure an increasing share of the growing requirements of the Asian and Far Eastern markets.

Asian markets represent an important traditional outlet for Switzerland's chemical industry, and in some cases these exports were stepped up despite stringent reserves of foreign currency. It is significant in this connection that the 1957 annual survey of Sandoz Ltd. refers to an upward trend for dyestuffs in most of the markets in Asia (while the sales in North and South America decreased on account of reduced demands in these areas).

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INDUSTRIAL AND COMMERCIAL NOTES

JAPAN'S WOOL INDUSTRY

Japan's output of woollen yarn increased from 184.7 million lbs in 1955 to 232.3 million in 1956, and to 255.2 million lbs in 1957. Her output of woollen fabrics increased from 185.6 million sq. yds. in 1955 to 220.4 million sq. yds. in 1956, and to 244.7 million sq. yds. in 1957.

During this 3-year period Japan's total imports of wool were as follows.

	Quantity million lbs.	Value million Yen
1955	205.4	59,196
1956	291.7	79,707
1957	280.1	95,442

At the recent session of the Textiles Committee of the International Labour Office, it was stressed that the Japanese industrial economy is characterised by a large number of small enterprises and their relatively important contributions (compared with that of small-scale industries elsewhere) in terms of gainful employment and volume of production; the technical efficiency of the small units is very high. While the spinning industry in Japan is mostly confined to large-scale establishments, the smaller enterprises take an active and important part in the sphere of weaving. 83% of wool weaving mills employ less than 30 employees, and only 3% over 300 employees.

Many of the small-scale weaving enterprises are members of cooperative societies. In the wool industry, the surplus yarn of the spinning mills not being sufficient for the weaving work of the smaller enterprises, the latter have had to establish spinning mills, some of them on a cooperative basis. Weaving of woollen fabrics forms a profitable sideline occupation for those primarily engaged in agricultural work.

Common facilities are provided for specialised operations such as dyeing and finishing. In many factories, ordinary

power looms are being replaced by automatic looms as and when the financial position of the firm permits further investment. Hand loom production survives in Japan only for highly intricate designs which cannot be easily or economically produced on a power loom with Jacquard or dobby.

It was considered that the adoption of some of the striking features of the Japanese industry, especially in the matter of decentralisation of certain processes and their dispersal to home industries in rural areas, may be considered with advantage by other Asian and Far Eastern countries.

UK WOOL INDUSTRY AND ASIA

Large scale shipments of wool tops to China during the first quarter of 1958 have made China the biggest market for UK wool tops. Recently, further large orders for wool tops have been placed by Chinese buyers in Bradford. The following table shows the development of UK exports of wool tops to Asian markets.

	1956 (first three months of the year)	1957	1958
	£	£	£
China	1,632,061	258,718	1,673,244
India	1,189,847	1,154,114	1,319,142
Japan	354,244	1,248,982	297,257
Pakistan	118,142	443,282	126,364
Hong Kong	139,457	197,078	14,469

In connection with the export drive by the Japanese woollen industry and the

running down of the stocks of raw and semi-manufactured materials in Japan, it is expected that shipments to Japan will increase during the second half of the year. In addition to wool tops, Britain exported to Japan raw wool to the value of £171,065, and wool waste amounting to £337,539 during the first quarter of 1958.

In the first three months of 1958, UK exports of woollen and worsted yarn and woven fabrics to Asian markets developed as follows:

	1956 (first three months of the year)	1957	1958
	£	£	£
Japan	483,013	837,495	681,351
India	50,958	73,305	23,889
Pakistan	52,285	22,756	27,881
Singapore	52,491	74,887	41,760
Hong Kong	696,267	649,029	575,770
Burma	11,373	12,541	46,280

In the new Anglo-Japanese trade agreement the quota for UK wool textiles remains unchanged at £2.8 million.

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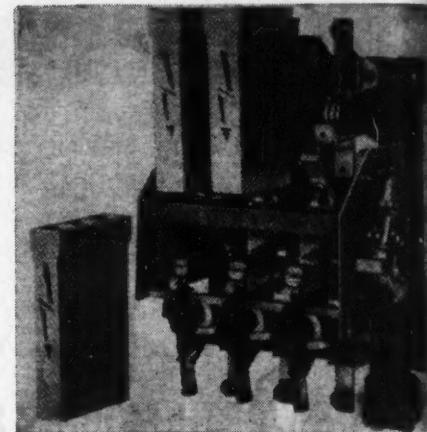
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YUGOSLAV-MONGOL TRADE

The first trade and payment agreement between Yugoslavia and Mongolia was signed in Belgrade last month. It stipulates for trade to the amount of 1.2 million dollars on both sides during 1958.

Yugoslavia will export to Mongolia: textiles, footwear, extracts for tanning hides, tricots, etc. On the export list of Mongolia figure sheep's wool, sheep and goat hides, calf hides, furs, camel hair, etc.

Though the amount of trade envisaged

is as yet rather small, it can be considered as a basis for further enlargement. The Mongol business delegation leader said in an interview that on the occasion of his visit to Yugoslavia he had toured several factories and was satisfied with the quality of their products.

YUGOSLAV EXPORTS TO FAR EAST

Yugoslavia has increased her export drive to Asia. SAVA shipyards recently secured an order from Burma to the value of 900 mill. dinars (£1 million), and the bridge and switch gear factory in Nis is

to supply 30,000 tons of switch operating mechanism for the Indian railways. Yugoslav exports of electric motors to Pakistan reached the value of 71 mill. dinars (£0.8 million) by the end of 1957.

TRADE BETWEEN INDIA AND GREECE

The recently signed trade agreement between India and Greece provides for maximum possible facilities being given by the two countries to the import and export of goods of interest to either party. Greece agreed to treat India on par with

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Letters Budapest 62 P.O.B. 202 / Hungary · Telegrams INSTRUMENT BUDAPEST

the countries in the Organisation for European Economic Cooperation and India agreed to treat Greece on par with the countries in the Sterling area. The Agreement also provides for most-favoured nation treatment for ships belonging to either country.

Among the commodities mentioned in the list of goods available for export from India, are jute goods, linen, vegetable oils, tea, coffee, spices, gums and resins, hides and skins, wool, hemp, leather, cotton piece goods, shellac, cashew nuts, mica, tobacco, coir products, sports goods, handicrafts, handloom products and fruit products. For export

from Greece: preserved fruits, olives, olive oil, honey, wines, saffron, canned vegetables, sulphur, soap, tanning extracts, activated carbons, marbles, emery and corundum, cement, other than portland, barytes, agricultural machinery and tools, electric motors, diesel engines, cotton and rayon yarns.

CZECH TRADE WITH FAR EAST

A Czechoslovak Government and Trade Delegation recently returned from Asia, following the conclusion of a number of agreements in China, Korea and in North Viet Nam. The head of the delegation, first Vice-Minister of Foreign Trade, Otto

Kocour, announced upon his arrival that in the current trade agreements, signed with the three countries for this year, last year's volume of goods exchanged was surpassed in each case. The greatest increase—by one fifth—is provided for by the agreement with the Chinese People's Republic. With the Korean People's Democratic Republic, a long term agreement till 1961 and one on scientific-technical cooperation were signed. Czechoslovakia will import from China non-ferrous metals, oil seeds and rubber. She will, in turn, export power plants, mobile train power plants and a large number of tractors, in addition to other goods.

Hungarian Telecommunications for Asia

Telecommunication equipment has been manufactured in Hungary since the second half of the last century. Since then this industry has made an immense progress and is now supplying many Asian countries.

There are several Hungarian factories manufacturing this equipment, the biggest among them being the BHG, formerly Standard Works. This factory has a special department for technical development and research work and has already constructed some new apparatus and equipment. Its production comprises a wide range of articles: telephone sets and telephone exchanges; carrier equipment and broadcasting transmitter stations.

Recently constructed types include the round telephone apparatus, the "circophon." Among the carrier equipment there is the 24 channel microwave impulse modulated apparatus.

Most of these products are exported through Budavox. The bulk of export goods are delivered to the Soviet Union and China, substantial quantities, however, are supplied to other Asian countries, including Indonesia. Notable transactions have recently been concluded with Syria for the Damascus Automatic Telephone Exchange.

A delegation from Ceylon led by that country's Minister of the Post, Telegraph and Telephone Administration, is expected in Hungary shortly to inspect the telecommunication products offered by Budavox.

MO type triple-pole oil starters for 500 V rated voltage and current ratings of 25-400 A, suitable for the protection of motors and generators.

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Czechoslovakia will also import non-ferrous metals from Korea and will, in exchange, export hydro-power plants and a number of machines and equipment for the restoration of the Korean economy. Viet Nam will export to Czechoslovakia ethereal oils, maize and rice.

CZECHOSLOVAK FACTORIES FOR INDIA

An agreement was negotiated with Madras Cement Ltd., Rajapauayam of India, according to which Czechoslovakia will supply complete installations for a new cement factory.

Assembly work of machinery produced in Czechoslovakia is under way in the sugar refinery of Assam Sugar Ltd. Czechoslovak factories started production of equipment for another sugar refinery to be built near the city of Madras.

JAPANESE CAR PRODUCTION

Japan's automobile industry surpassed its own former record of production last fiscal year, with an output of 184,842 cars including passenger cars, trucks, and buses. This volume is 40.7 percent more than the preceding fiscal year. But for the effects of the tight-money policy last year, it is said, the sales would have risen even higher.

Production breakdown is: passenger cars 50,046; ordinary trucks 46,736; small four-wheel trucks 80,239; buses 7,821.

COLONIAL DEVELOPMENT

The Colonial Development corporation inaugurated 10 new projects during 1957 out of 61 new schemes examined during that year, according to its report just published. The total capital commitment of the Corporation is now £80,468,000, of which £14,218,000 was spent in the Far East. Amongst the new undertakings is the new factory of Johore Palm Processing Ltd. in Malaya, which is planned to process fruit from smallholders as well as from the CDC Kulai Oil Palm estate. It is hoped that this will eventually become a producers' cooperative. Oil palms are now being introduced as a new crop to North Borneo at Mostyn, an outlying estate of the CDC subsidiary Borneo Abaca Ltd. Reluctance towards a change of the word "colonial" has led the CDC to operate outside the colonies through subsidiaries with territorial names. Besides being authorised to continue existing projects in newly independent territories (Ghana and Federation of Malaya) and to put more money into them if thought expedient, the CDC is empowered to operate as managing agents of development projects and to provide advisory services in independent Commonwealth countries with agreement of the governments concerned. This new extension to its mandate is limited by the

proviso that such activities must be without commitment of CDC funds.

NEW LOANS FOR INDIA

Improvement of transport, especially of major ports and railways, has been given the highest priority in India's Second Five Year Plan. Calcutta and Madras are two of the main ports where measures will be taken to relieve ship congestion, expedite the handling of cargo, and improve general operating efficiency.

The World Bank has now approved two loans totalling \$43 million for improvements at these two of India's largest and most important port cities. One loan, of \$29 million, is being made to the Commissioners for the port of Calcutta; and the other loan, of \$14 million, to the Trustees of the Port of Madras. The two port authorities are autonomous agencies, subject to the general control of the Government of India.

Calcutta Port Project. Traffic through the port of Calcutta now totals about 9 million tons annually and, in terms of value, constitutes nearly half of India's imports and exports other than petroleum. Port facilities have been in poor condition for some years because of overworking during the war, inadequate maintenance and the excessive age of many installations and much of the equipment. The handling of cargo has become more diffi-



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cult because of increasing quantities of such cargo as machinery, iron and steel. These factors have been the principal causes of congestion in the port, involving serious and costly delays to ships and freight.

The main work now being undertaken consists of improvements in berthing capacity together with transit and storage facilities and water supply, extension of the railway marshalling yard, the replacement of harbour floating craft, the acquisition of electric cranes and mechanical cargo-handling equipment, and dredging and river training works at Fulta Point on the Hooghly River. At King George's Dock (one of the two main dock systems) two old berths will be converted into new general cargo berths and two new ones built; and at Kidderpore Docks, 12 berths (70 years old) will be repaired and strengthened and equipped with electric cranes; some mechanical equipment will be provided to speed up the handling of cargo, and two floating cranes will be acquired for heavy lifts. Improvements of railway facilities will more than double the number of freight cars that can be received daily. New harbour craft of various types, including two dredges and a pilot boat, will be purchased to replace deteriorated vessels, and repair facilities for such craft will be improved. A new tea warehouse will be built to provide more space for the transit of 500 million pounds of tea which annually pass through the port. Navigation of the Hooghly River is most difficult around Fulta Point, some 90 miles upstream from the Bay of Bengal. This point of land will be cut back 1,200 feet by dredging, and training works will be built to improve flow conditions in this stretch of the river and to increase the depth. As a result, ships of 26 foot draft will be able to reach Calcutta on many more days of the year.

All of the works being undertaken will be finished in 1962. The total cost is estimated to be 280 million rupees (£21 million). The Bank's loan of \$29 million will cover the foreign exchange requirements and the remaining costs will be met

by the Commissioners for the Port of Calcutta with some assistance from the Government of India.

Madras Port Project. Madras, on the south-east coast, is the third largest port

in India, now handling about 2½ million tons of traffic annually. In recent years, approximately 1,000 sea-going vessels have been using the port each year, or about 30% more than before the war. Port facilities have not been expanded sig-

TENDERS

The Director General of India Store Department, Government Building, Bromyard Avenue, Acton, London, W.3, invites tenders for the supply of:—

Quantity Nos.

Laminated Bearing Springs 700 for B.G. Railway Coaches.

Forms of tender may be obtained from the above address on or after 9th May, 1958, at a fee of 10s. which is not returnable. If payment is made by cheque, it should please be made payable to "High Commissioner for India." Tenders are to be delivered by 2 p.m. on THURSDAY, 26th JUNE, 1958.

Please quote—
Reference No. 3/58/DB/RLY.2.

The Director General of India Store Department, Government Building, Bromyard Avenue, Acton, London, W.3, invites tenders for the supply of:—

Quantity Nos.

Cast Steel Roller Bearing 1,400 Axleboxes for B.G. Railway Coaches.

Forms of tender may be obtained from the above address on or after 9th May, 1958, at a fee of 10s. which is not returnable. If payment is made by cheque, it should please be made payable to "High Commissioner for India." Tenders are to be delivered by 2 p.m. on THURSDAY, 26th JUNE, 1958.

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- (a) 1 7/8" O.D. x 1 1/2" I.D. 7,500 To St.45.29.
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- (c) 13" Sq. x 3/32" wall thickness. To St.35.29.

Forms of tender may be obtained from the above address on or after 16th May, 1958, at a fee of 10s. which is not returnable. If payment is made by cheque, it should please be made payable to "High Commissioner for India." Tenders are to be delivered by 2 p.m. on THURSDAY, 3rd JULY, 1958.

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The Director General, India Store Department, Government Building, Bromyard Avenue, London, W.3, invites tenders for the supply of:—

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nificantly since then, and the growth of traffic has resulted in serious congestion.

The modernisation and expansion project now being undertaken will reduce congestion by speeding up the turn-around time of ships in the port, lower the cost of handling cargo, and increase overall operating efficiency. Furthermore, it will enable the port to handle over four million tons of traffic annually.

The principal work now being undertaken to modernise and expand the port includes the following: a new ship basin will be excavated and quay walls built to accommodate six new berths, of which only two will be fully equipped at the present time; two old general cargo berths will be reconstructed and equipped with modern cargo-handling equipment, rail-way connections and transit sheds; a third berth used for general cargo and passengers will be improved and provided with a combined passenger station and transit shed; two new berths will be constructed and equipped, one for handling coal and the other for ore; a new railroad marshalling yard will be built; workshops will be extended and provided with additional equipment; a new transit shed, an administrative office and other buildings will be erected; a dredge, a 60 ton floating crane, four tugs and other harbour floating craft will be purchased. The entire project is scheduled for completion by 1962.

The project will cost a total of 153.4

million rupees (£12 million). The Bank's loan of \$14 million will cover the foreign exchange requirements, and the Madras Port Trustees will finance the local currency costs.

POWER LOAN FOR PAKISTAN

The World Bank has approved a loan equivalent to \$14 million in Pakistan for the expansion of electric power. The new facilities will more than double the supply of power in the metropolitan area of Karachi, where population and industrial growth have brought about a continuing need of more power.

The loan is being made to the Karachi Electric Supply Corporation Limited, (KESC), a public utility with shares held by the Pakistan Government and private interests. The Corporation is the sole supplier of power in the Karachi area.

In the last decade, the population of Karachi has quadrupled to 1½ million, and the city has become one of the chief manufacturing centres of Pakistan. Industry has grown from a few small factories to several hundred enterprises. With this growth has come a much greater demand for power for industrial and residential purposes. The number of electric power consumers has more than doubled; the sales of power to residential consumers have increased five times and to industrial consumers, eight times. Because of inadequate supplies, power

has had to be rationed with the result that some industrial plants are not being fully utilized.

This will be the second World Bank loan to KESC. A loan of \$13.8 million made in June 1955 financed the foreign exchange cost of constructing a 30,000 kilowatt steam power plant, together with the extension and improvement of transmission and distribution facilities. This plant went into commercial operation early in 1957 and its output will be fully utilized by the end of 1958.

The new loan will help to finance a 60,000 kilowatt steam power station to be built adjacent to the one financed by the earlier Bank loan; transmission and distribution facilities will also be further extended. The boilers in the plant will be equipped to burn either oil or natural gas. Normally natural gas will be used and will be obtained from the Sui Gas Transmission Company, to which the Bank made a loan in 1954 for the construction of its 350-mile pipeline.

This will be the ninth loan the Bank has made in Pakistan, bringing the total lent there to \$126,450,000. The other loans were for railway rehabilitation, for agricultural machinery to reclaim waste land, for the construction of a natural gas pipeline, for a pulp and paper plant, for an institution to promote private industry, and for the rehabilitation of the Karachi East Wharves.

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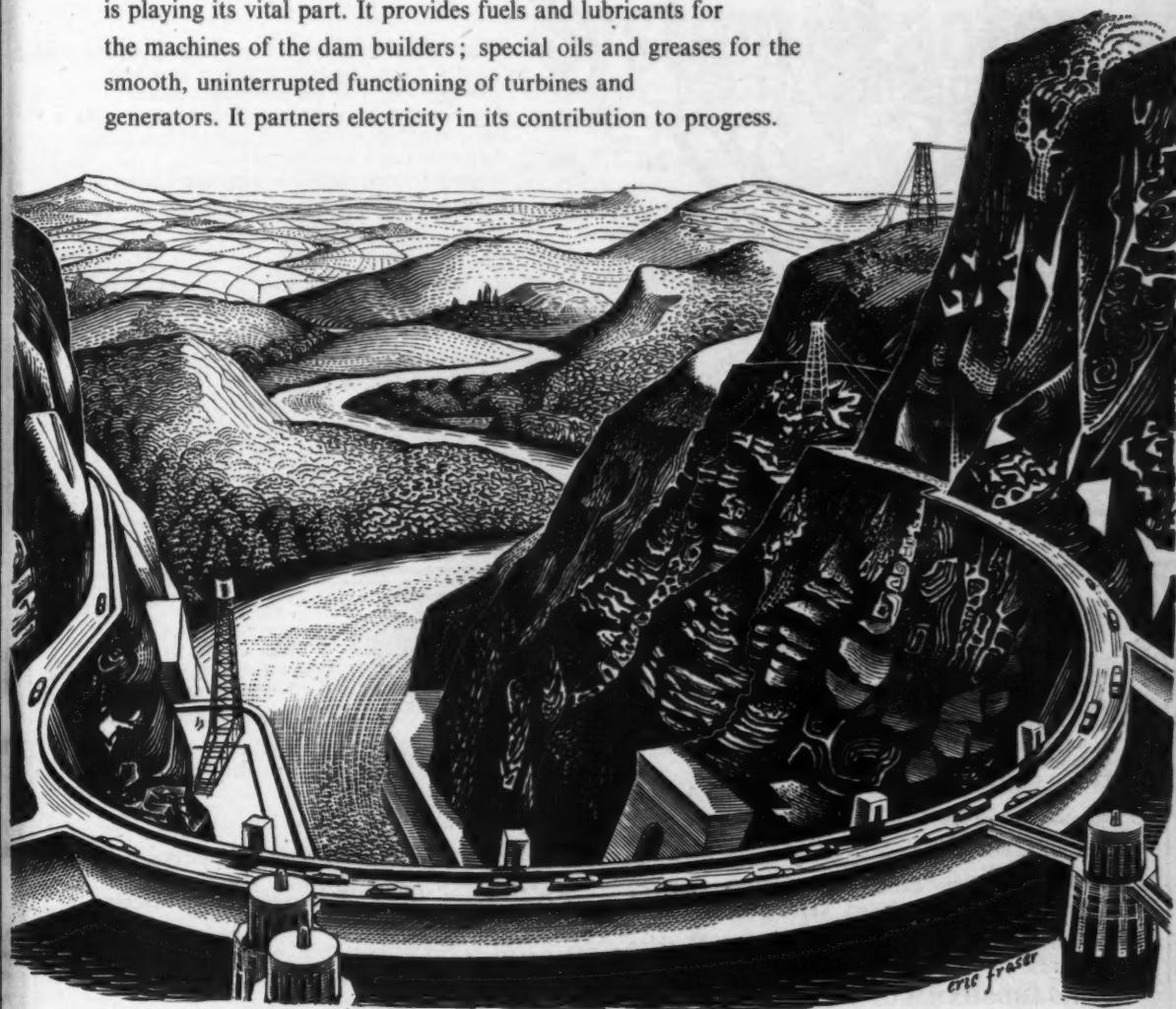
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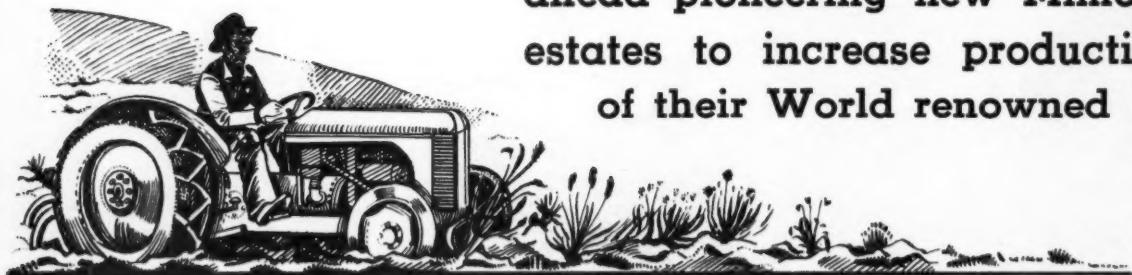
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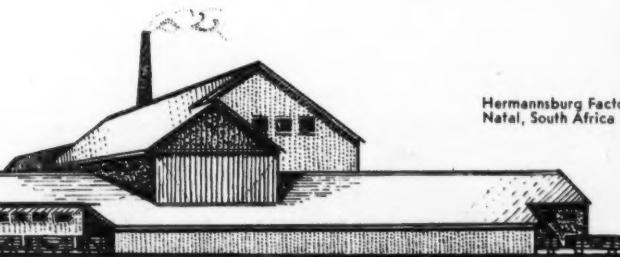
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